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# ***JPRS Report***

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## **Near East & South Asia**

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# Near East & South Asia

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**Schism Between Intellectuals, Karabakh Committee**

46050013 Paris HARATCH in Armenian 24-25 Nov 88

[Interview in two installments with Karabakh Committee member Levon Ter Petrosyan by HARATCH correspondent Arpik Misakian on 16 November 1988, place not given]

[24 Nov 88 p 2]

[Excerpt] We tried to delay our interview with the Karabakh Committee's chief spokesman, Levon Ter Petrosyan, as much as we could to make it as current as possible. We held the interview on Wednesday night (November 16), 1 hour after a rally held that evening.

[Misakian] There is an impression in the Diaspora that the [Karabakh] movement has deviated from its main goal, that Karabakh has become an excuse to raise other issues and that we have fallen into the trap set by Moscow and Baku by giving the movement a nationalist character, which was not the original motivation and which hurts our cause.

[Ter Petrosyan] That view prevails not only in the Diaspora but here as well. Silva Kaputikyan, Zori Balayan and others from the senior generation have expressed concern that the movement has supposedly deviated from its original goal, that it now encompasses new issues which can make the solution of the Karabakh problem more difficult. In my opinion, however, this impression is not correct. At least in the Diaspora this impression is sincere, but I strongly doubt the sincerity of that impression here. Certain people have a vested interest in presenting our movement in this way because it is they who have deviated from the logic of this movement for various reasons; they want to cast a shadow over the movement, in particular the activities of the Karabakh Committee. It is true that in February we heard only about Karabakh in our demonstrations and rallies. However, our people here and in Karabakh were very naive to believe that we could raise this issue before Moscow with just a few demonstrations. For us our cause was so just and simple that we thought Moscow could resolve this problem very easily. Therefore, at that time we did not think about other issues. But the movement lingered on. Now let us set aside Moscow's plans and the issue of why it is treating this demand by the Armenian people in this manner. That is another matter. But the movement naturally went beyond its principal narrow objective, though it always maintained the reunification of Karabakh with Armenia as its main goal. It is obvious that a people which has struggled for 9 months and which has found the opportunity to express its will in conditions of relative democratic freedom could not reiterate the same thing every day of those 9 months. That would cause boredom and fatigue. Secondly, taking advantage of this opportunity, the Armenian nation needed to express the anger that had built up in its heart—something it had not been able

to do for 70 years. It is a well-known fact that the Armenian people were deprived of any means of waging national propaganda for 70 years. The things that are being freely said today might have been considered nationalism or fanaticism only a year ago. Ideologically, we can append what has been said in these past 9 months to those 2 years of Armenian independence [from 1919 to 1921]. For the last 9 months we have had full ideological freedom here in Armenia. At our rallies and demonstrations we discuss all issues which are of vital importance to our nation. I believe that that is natural. The issues that deviate from Karabakh do not weaken but, on the contrary, strengthen the Karabakh movement, because they make our people more united, and with them we show Moscow that we are turning into a power, a political power to be reckoned with. The misfortune of the Armenian people for the last 70 years—and even earlier—has been that we have not been political partners; we have been ignored. That is what happened in the 1920's and that how it continued for 70 years. I believe that the most important accomplishment of our 9-month-old struggle is that it has made us a political partner. Moscow can no longer ignore us regardless of whether it resolves our problem or not. [passage omitted]

[25 Nov 88 p 2]

[Excerpt] [Passage omitted] [Misakian] There is a schism between you and the intelligentsia and between the people and the intelligentsia.

[Ter Petrossian] It is wrong to say that [there is a schism] between the intelligentsia and the people and the intelligentsia and the movement. The intelligentsia is the most active element of this movement. By saying intelligentsia I have in mind the good segments of the intelligentsia. What you say applies only to the celebrated intellectuals of the senior generation who are truly experienced in life and who have observed all the difficulties of this country. The mentality of such people is naturally different from that of the younger generation. That is one aspect of the issue. We must view the other aspect of the issue from a political standpoint. The movement is a purely political movement, and when we speak about differences of opinion we must ask whether the other side is engaged in politics or not. The overwhelming majority of our celebrated intellectuals are outside this movement. Those people do not participate in this movement. Therefore their opinions are of secondary importance.

[Misakian] But it was those intellectuals who inspired the Diaspora Armenians to rise up, because they are well-known figures in the Diaspora. For example, Zori Balayan, whom you consider to be negatively disposed today, played a very major role in both the Karabakh and the ecological issues. The Catholicos of All Armenians also played a major role in inspiring the Diaspora. These people are prominent names and authorities. Meanwhile your movement is only a collective body

whose members remain unknown. I realized after coming here that no matter how much is reported and how many people come and see it, one cannot grasp what is happening in Armenia until one comes here.

[Ter Petrosyan] That is very true. I agree fully with what you say. I do not wish by any means to minimize the role of Zori Balayan, Silva Kaputikyan, the Armenian Pontiff and other celebrated intellectuals in starting this movement. However, I repeat: They played that role when this movement did not yet have a political nature, when it was at a propagandist stage. They played a significant role at the stage when this issue needed to be raised before Moscow at a propaganda level. However, after that, when the movement became a political one, at which point it needed great sacrifice, these people naturally withdrew and fell silent. Perhaps they are trying to ride the wave. They continue to participate in some ways. Silva does, Zori does—but they participate with the same propagandist methods. Consequently, at present they do not play any role in this movement. This is one aspect of the issue. The other aspect is that these celebrities act as if they have certain commitments to the government of Armenia. They are trying to establish a dialog; they think they can accomplish certain goals with their methods. If that is the case then they must also take on responsibilities. They often engage in activities suggested by [the government] After seeing S. Arutyunyan, Silva Kaputikyan comes on television and communicates his instructions. This is something that does not stem from the logic of the movement. For us, what is important is the logic of the movement irrespective of whether it poses dangers to us, to our work or to the work of our brothers. For example, yesterday we did not know that we were going to strike, but we felt that the situation was tense. But today we received news from Karabakh. We thought that the situation in Karabakh was getting more serious, and we came to the conclusion, using the logic of the movement, that we must demonstrate our protest by a decisive act. Neither Zori Balayan nor Silva Kaputikyan would have done that. You have been in Yerevan for 2 weeks. Activities stemming from the movement are being staged. Have they played any role in those activities? [passage omitted]

**Dashnak Writer Scores Calls for Independence**  
46050014a Beirut AZTAG in Armenian 22-23 Dec 88

[Article in two installments by E. Hovhannesian: "The Declaration of the Armenian Political Parties and the Atmosphere It Has Created"]

[22 Dec 88 p 4]

[Excerpts] Political parties make political declarations when the nation is in crisis and when a political evaluation of the critical situation at hand is essential. If the crisis affects the entire nation, different parties put aside their ideological and factional differences for the sake of national interests and draft a single declaration which stems from collective interests and which the people

cannot ignore because the authors of the declaration are politically experienced organizations. Of course, there will always be individuals and groups among the people who will disagree with a given declaration, which means that they belong to another party or ideology and are not prepared to share the other parties' evaluation of the situation at hand. Who should be the judge in such a case? Presumably, reason, political experience and the majority. It is from this standpoint that I find essential to analyze the situation that was created by the joint declaration of the three Armenian parties of the Diaspora [on 29 September] whose main ideas had already been indirectly and publicly expressed by the Soviet Armenian intelligentsia with national responsibilities out of concern for the structure of the national front. [passage omitted]

It is a happy occasion when the intelligentsia of Armenia and the different political parties of the Diaspora set aside their quarrels and differences and stand up for their people with a lofty sense of national responsibility. However, there are people both inside and outside Armenia who have not realized the significance of that moment and who have begun labeling as traitors and political illiterates those who are trying to find a way out of a complicated situation. According to them, the easiest and simplest way out is the continuation of the uprising which can proceed with, for example, the following reasoning: "Since you did not give us Karabakh, we demand a referendum on the secession of Armenia from the Soviet Union." That could naturally be followed by the following argument: "You did not allow us to have a referendum. Therefore we declare a rebellion and we are asking the United States to send us arms."

Such an unfolding of events is not dangerous because it is unlikely that a nation which has not taken up even a rusty knife for 60 years can rebel pinning its hopes on the Americans who are concerned about neither the Armenians nor the Armenian question. Our nation is sufficiently intelligent not to embark on such an adventure. As I said, there is no danger from that respect; the danger comes from elsewhere.

[23 Dec 88 pp 4, 7]

[Excerpts] They may take the declarations of a few dozen adventurers seriously and they may use those declarations as a pretext to squash the entire Karabakh movement. However, even those from whom much is expected did not comprehend this reality. I have in mind Baruyr Ayrikyan who, in my opinion, could have acted more wisely.

Recently he was interviewed on Radio Liberty where he first talked about his meeting with [Soviet Foreign Minister] Shevardnadze and then addressed the Karabakh issue. [passage omitted]

In an interesting remark during the interview, Ayrikyan declared that in Armenia today there are hundreds of thousands of people who support Armenia's independence. If those who support the idea of independence do so for moral reasons, that is they realize the value of independence, then that must be considered a tragedy for our nation. Is it only now that we have realized the value of independence? Was a nation that has been fighting for independence for millenia waiting for the arrival of Gorbachev so that only hundreds of thousands of Armenians could realize how good independence is? If that is the case, then let us set aside everything and let us explain to our people that independence is in fact the only way of having fully national way of life for all nations. If, on the other hand, these hundreds of thousands of proponents of independence (I personally do not believe that figure) are politically motivated, that is they are prepared to make the struggle for independence an issue and a political objective today, then that is another tragedy because it reflects an absence of political experience.

But Ayrikyan thinks otherwise. He told the Radio Liberty correspondent: "To think that the idea of independence is a distant goal is worse than outrageous. Barring anyone from talking about a referendum (he is referring to the referendum over separating Armenia from the Soviet Union) or labeling the demand for a referendum 'extremism' is evidence of political illiteracy. They believe that the demand for independence is dangerous. Independence is a most natural condition in which you solve your own problems yourself." [passage omitted]

With regard to the declaration of the three Armenian parties, Ayrikyan said:

"It would be accurate to say that that appeal was made by the leaders of the three Armenian parties. Being familiar with individuals from various levels of those parties, I know that there may be differences between a few of the leaders and even at the rank and file level. The appeal made by the three parties to Armenia indicates the Diaspora's cautiousness. Such cautiousness is understandable when it comes from a people which has survived a genocide and parties which are responsible for the conduct of political life. They must act cautiously; one cannot expect more from appeals made by the Diaspora to Armenia. But to label strikes 'extremism' is political illiteracy no matter who does it."

I would like to say the following with regard to these evaluations of Ayrikyan's. His argument that the parties' appeal is only an appeal by the leaders of the parties because he has met party members and even leaders who do not share the views expressed in the said appeal is nothing more than confusion. If he has come across party people who not only disagree with their leaders but make their disagreement public, then they are not proper party members and will be expelled from the party sooner or later because the party leaders are governed by the decisions of their general assemblies which must be

considered sacred by all party members. For parties that are run by democratic principles, public dissent is a disciplinary offense. The bylaws of at least our party speak very clearly on this issue. If Ayrikyan has really met with dissident party members, I feel sorry for the undisciplined behavior of my comrades. [passage omitted]

I believe that I criticized Ayrikyan excessively, but I did that not in order to offend him but to remind him that he could have waited a little before making such harsh and arbitrary evaluations. But Ayrikyan's position is understandable; he waited and suffered too long to be able to act and to express himself freely.

Nevertheless, it is a little immodest, to say the least, to label as "political illiteracy" the appeal of political parties that have a history of 100 years.

Now a few words about our general attitude with respect to the reforms taking place in the Soviet Union. The impression may have been created that since the arrival of Gorbachev we have become pro-Soviet and we must no longer criticize the Soviet regime. Several people have already criticized me by saying: "Why did you change? Why did you become pro-Soviet?" No, I did not change; they changed and began criticizing what we have always criticized. Therefore, if we sympathize with Gorbachev's policies, it does not mean that we have sympathy for the regime but that we have sympathy for the criticism leveled against all the former flaws and crimes of the regime. In that sense, we must never retreat and must sharply criticize all aspects of the regime which harm our nation. Coupled with that we must express our positive stance with regard to all measures which are beneficial to our people. Today it has become evident that glasnost is meaningless without reforms. It is important to speak about a flaw in public, but it is more important to correct that flaw. That is why we must not lay down our weapon of criticism out of the belief that Gorbachev has rectified the regime and should not be subject to criticism. Perhaps, Gorbachev's reforms will go so far that healthy opposition forces recognized by the authorities will be formed in that country. If that happens we will be left with no option but to return to our homeland.

#### **Dashnak Party Condemns Arrest of Activists in USSR**

*46050014b Beirut AZTAG in Armenian 23 Dec 88 p 1*

[Communique by the Bureau of the Armenian Revolutionary Federation on 21 December 1988]

[Text] Soviet authorities have been implementing a policy of brutal oppression in Armenia in the last 2 weeks in order to stem the just demand of the Armenian people to have Nagorno-Karabakh reunified with the Motherland. The arrests of hundreds of patriots who have stood up for justice and the eternal rights of the Armenian people are an indication of the harsh policy the Moscow authorities have adopted. That policy is

accompanied by a naked campaign of distortions and accusations that uses the press and the media to discredit not only a private movement and its leading members but also the entire Armenian nation which supports the Artsakh demands without reservation and exceptions.

The persecution that the central authorities have unleashed in Armenia is astonishing, to say the least, against the background of the calamity caused by the unprecedented earthquake of 7 December which has claimed countless victims, which has shocked the entire world with the vast destruction it has caused and which has added a new festering wound to the countless tragedies the Armenian nation has suffered. The move is astonishing also because the wrath and the threats of the leaders in Moscow is directed against the so-called "provocative declarations and acts by Armenian nationalists" which are generally expressions of justified revolt against the mobs shouting "death to Armenians" in the streets of Baku and Kirovabad and against those who organized pogroms against Armenians in Sumgait, committed massacres in the Armenian-populated regions of Karabakh and Azerbaijan and uprooted more than 200,000 Armenians from their homes and ancestral lands with threats of massive looting, burning, terror and death.

More than being astonishing, it is revolting that in these Gorbachevian days Moscow still pretends not to know all these and takes no concrete steps of restraint and punishment to put some sense into Baku's pan-Turanist leaders who are the real organizers and perpetrators of the anti-Armenian provocations.

The reunification of Nagorno-Karabakh with Armenia is the universal demand of the Armenians of both the Motherland and the Diaspora. But more importantly it is

the undeniable right of the Karabakh Armenians who, having been periodically subjected to massacres, persecution and deportations, know by their historical and bitter experience what it means to live under the rule of pan-Turanist fanatics. It is understandable, therefore, that the people of Karabakh will resolutely continue their demands for a just solution, with the ultimate goal of liberating themselves from that vile rule.

The Armenian people simply demand justice from the Soviet leadership which is obligated to rectify mistakes made in the past, in this case a grave mistake committed against the Armenian people during the Stalin period, even if only for the sake of its own pronouncements about fraternity of nations and internationalism. To rectify that mistake, Soviet authorities must first show some understanding toward the justified revolt of the Armenian people and then end their policy of repression and persecution against the patriotic children of a nation that has arisen with legitimate and just demands and seek and find the most suitable courses of action which must ultimately lead to the reunification of Nagorno-Karabakh with Armenia.

This is our conviction, and we believe that there is no other course for a correct and just solution of this national problem.

Otherwise, the era of democratization and restructuring launched by General Secretary Mikhail Gorbachev remains condemned to be characterized with the same mistakes and repressive methods for which previous administrations are being criticized. Soviet authorities have no right to shirk their historic responsibility to stand by the side of justice, because our people demand from the present Soviet leadership the stance of a fair-minded judge rather than that of a mere mediator.

## REGIONAL

### Fiscal and Investment Coordination Among GCC States Discussed

44040180 Muscat *UMAN in Arabic* 10 Dec 88 p 6

[Text] Fiscal, investment, and customs coordination among Gulf Cooperation Council [GCC] states has in the past taken many forms and formats. These forms evolved and widened in scope and application during the period between the eighth and ninth summits.

In the area of customs coordination, customs officials of GCC states began a series of visits to customs centers last January in order to exchange expertise and bolster cooperation.

The Committee for Fiscal and Economic Cooperation, composed of GCC ministers of finance and economy, held its 16th session in Riyadh in mid-February under the chairmanship of Muhammad Aba-al-Khayl, Saudi Minister of Finance and Economy and chairman of the current session.

In a post-meeting statement, Aba-al-Khayl said the committee discussed the issue of share exchange among the GCC states and reached agreement in principle to permit GCC nationals to subscribe to joint companies and corporations that might be founded in GCC states henceforth. The objective is to secure wider corporate ownership among citizens of GCC states.

As to the protection of domestic industry in GCC states, Aba-al-Khayl said the committee has decided to review a draft on the subject prepared by its secretariat. The draft has been amended and will be discussed with ministers of industry before final approval.

Aba-al-Khayl said the draft calls for protection of commodities, not bilaterally, but by GCC states as a group. He added that the committee also discussed the standardization of certain customs principles and procedures in order to facilitate the movement of goods among GCC states in accordance with recommendations presented to the meeting by the standing committee of customs directors.

He said the committee also reviewed the progress of current negotiations between the GCC and the EEC, decided on a future course of action, and devised recommendations for the GCC team to the next negotiating session with the EEC.

The council of governors of central banks and monetary agencies in GCC states held its 10th session in Muscat 30 March under the chairmanship of Shaykh Hamad al-Sayyari, governor of the Saudi Arabian Monetary Agency.

Dr 'Abd-al-Wahab Khayyatah, executive director of the central bank of Oman and deputy chairman of the governor's council, said in his welcoming remarks that: "We look forward to these meeting in the hope of helping to crystallize harmonious and compatible positions in order to facilitate economic and social integration in accordance with the uniform economic agreement among member states of the cooperation council." The meeting was attended by central bank governors of GCC states.

Announcement was made in May that the GCC secretariat, in cooperation with experts from the IMF and other international consultative agencies, has completed a number of studies on the coordination of currency exchange policies and rates in GCC states. The studies led to a flexible and acceptable protocol for both the coordination of GCC monetary policies and system uniformity in the six states.

A reliable source at the secretariat said the protocol will be discussed and a report submitted to the ninth GCC summit scheduled for Bahrain.

Undersecretaries of GCC finance ministries held their third meeting on 22 May at GCC secretariat headquarters in order to prepare for the subsequent meeting in Riyadh of the fiscal and economic cooperation committee. Composed of GCC minister of finance and economy, the committee concluded its work in Riyadh last 25 May. Saudi minister of finance and national economy Muhammad Aba-al-Khayl stated after adjournment that the committee discussed the issue of stock circulation and ownership transfer among citizens of GCC states as well as the issue of creating a uniform system of protection for national industry.

He added that the committee completed its discussions of both protocols which were amended and put in their final form. He pointed out that committee members will continue to consult after their return to their home countries.

The Saudi minister said that the committee has agreed on a final version to be presented to the summit, which would make it possible for citizens of one GCC state to hold stock in joint companies or new firms that may be founded from now on in other GCC countries. They will be able to subscribe, invest, and buy stock according to a formula that was approved in principle.

Aba-al-Khayl added that protection for domestic industry will be a framework. Protection will be extended to a specific domestic industry if a need arises either because it needs protection or because of dumping by other countries. He pointed out that the protocol defines objectives and measures and calls for a central committee to rule on requests.



The 12th meeting of the directors-general of customs in GCC states convened for 2 days at GCC secretariat headquarters 29 May.

The meeting discussed a secretariat memorandum on determining GCC origination which deals with basic criteria for the production of manufactured goods in GCC states as well as the problems of application and possible solutions to them.

The conferees also discussed another secretariat memorandum on solutions to general customs problems faced by GCC products and on the exchange of expertise among customs departments in GCC states in order to modernize customs operations.

Other issues discussed at the meeting included the formation of a technical committee to study the transit systems in GCC states and the updating of waybills. Also discussed was the formation of a technical committee of GCC customs departments to discuss a uniform schedule of duties for GCC states.

The Gulf Investment Agency held a meeting in Muscat 30 June which was attended by representatives of GCC states and by GCC secretary-general 'Abdallah Bisharah.

The Committee for Fiscal and Economic Cooperation, composed of GCC ministers of finance and economy, met for its 18th session 28 August at GCC secretariat headquarters in Riyadh.

The agenda included recommendations on uniform procedures for budget preparation, categorization, and classification; for the preparation of final accounts; and for equal treatment of GCC citizens in customs matters.

The committee also discussed a number of secretariat memoranda dealing with certificates of origin for manufactured goods, criteria for determining GCC origination, the exclusion of tobacco and tobacco products from customs exemptions, steps taken by member states to raise duty on tobacco, and the creation of a uniform customs schedule for foreign goods. Also reviewed was a synopsis of the 12th meeting of directors general of customs.

That was followed in Bahrain on 26 October by a meeting of the Committee for Fiscal and Economic Cooperation which discussed and approved a number of important economic measures, foremost of which was the uniform system for foreign investment in GCC states.

**Smuggling of Israeli Goods Into Egypt Described**  
44040156 London AL-MAJALLAH in Arabic  
14-20 Dec 88 pp 67-68

[Article by Husayn 'Abd-al-Qadir]

[Text] Rafah—Although a visitor to Cairo markets may not be able to buy Israeli goods, a visitor to the markets of some Sinai towns close to Egypt's eastern borders with

the occupied territories in Rafah, al-'Arish, and Shaykh Zuweiyid would no doubt be surprised to find a considerable amount of such goods in these towns' shops. These goods have on their packages Hebrew words indicating that they were made in Israel. This is not the only strange thing that a visitor would notice; what is even more strange is the fact that these goods are freely circulating among the people, despite the fact that Egyptian import laws generally ban these goods. How did these goods enter the Egyptian borders, and how are they being circulated? What is the Egyptian authorities' attitude toward them?

Some 45 km from the town of al-'Arish lies the Egyptian sector of the town of Rafah, from which the Palestinian sector that was occupied before 1982 is immediately within sight. Before the demarcation of borders between Egypt and Israel in accordance with the Camp David agreement, the two sectors of the town were one. In the middle of it ran one long main street with shops on both sides which formed the Rafah market with houses and residential areas just beyond. When the demarcation of borders was implemented, the town became divided and a 20-km long barbed wire fence was erected. The fence has two entrances for the use of those crossing the borders. The first is a small gate at the fence separating the main street between the Egyptian Rafah and the occupied Palestinian Rafah. This is for the entrance of people whose business requires them to cross the borders daily. Such people have permanent permits to cross daily. This gate is closed at 1500 hours. About 1 km away lies the official crossing point through which tourist groups cross with their vehicles, and tourists and people visiting their families and relatives enter. The crossing point consists of a two-story building and, like any international port, contains all the facilities like passport checking, customs, and others.

The crossing point opens its gate at 0900 hours to receive arrivals from the occupied territories, who are subject to processing that takes about 1 hour. For tourist groups, the formalities are much simpler in that a bus carrying visitors from the occupied territories enters the Egyptian side for completion of formalities, and as soon as the visitors come out the bus would be waiting for them in order to take them from Rafah to Cairo and other tourist areas. The bus is escorted by a police car equipped with the most up-to-date weapons. Several police cars take turn in escorting an Israeli tourist group bus. Several security measures with which the bus driver must comply, including travelling at high speed and not stopping for any reason except for refueling, are enforced by the Egyptian authorities

Anybody watching the arrival of any visitors group at that gate would notice that most of the arrivals carry heavy large cases, and as soon as they appear at the exit gate they are received by people who help them carry the bags. It would soon become apparent that those people are just merchants, who position themselves daily at the

crossing until the gate closes at 1700 hours. Their job is to buy any goods brought by the arrivals and market them, according to one of those employed on the borders.

The large suitcases that are opened as soon as they cross the borders are filled with a variety of goods. They are mostly consumer goods, such as apples, which seem to be the most popular item in the market, then comes cocoa and chocolates that come in two kinds, one of which is contained in small packets for weddings and social occasions. Arabic and Hebrew writing on them indicate that they are the famous Ramallah chocolates. Next come the nuts such as pistachios, hazelnuts, and almonds, and seeds for sowing. Then there are soaps, detergents, and foodstuffs. This is in addition to Israeli shampoo which, in terms of quantity, competes with apples.

Soon merchants crowd around the arrivals carrying these goods, forming a circle that looks like an auction, each man shouting his offered price. The place in front of the crossing point soon turns into a small daily market. As the sale is finished, cars will soon be ready to take the merchants back either to al-'Arish or sometimes to Cairo.

AL-MAJALLAH asked one of the women coming from the occupied territories wearing the well-known Palestinian dress who, together with her two daughters carried two large suitcases, about the reason for bringing these Israeli goods to the Egyptian borders. After a brief silence she said: "The borders have separated me from my children. I must come from time to time in order to visit my daughter. Such visit costs me more than I can afford. The occupation authorities place barriers between us so as to humiliate us. The permit they give me to visit my daughter and see her once costs more than 300 Egyptian pounds. How can I meet such a heavy expense? As you know, most of our people are poor. So I am forced, like everybody else, to bring these goods with me. With the difference in prices I can meet the trip's expenses."

In the town of Rafah, which is 1 km from the border crossing, there are shops on both sides of the streets. These shops seem to specialize in displaying and selling Israeli goods.

The shopkeepers told me: "We know that according to Egyptian economic decisions importing these goods is prohibited, which makes our shops the target for inspection and confiscation of goods. But we are forced to do it, for this is our trade and we have no alternative to it. We must take risks because the profit margin from selling these goods is several times that from trading with local goods."

A shopkeeper added: "Because the security and customs authorities pursue us, we sometimes are forced to hide the goods in our houses or in secret hiding places. We put only a small amount on display, and if this is caught it will not constitute a major offence against the law".

At the crossing point, AL-MAJALLAH asked the customs official in charge why such goods are being allowed to enter with arrivals from the occupied territories. He gave a quick and precise answer:

"We are in an official international port in which we apply all the state laws including the economic laws that ban the importing of this kind of goods not only from Israel but from any country. It must be observed, however, that laws banning imports allow individuals arriving from any country to bring with them any of those goods in reasonable quantities for their own personal consumption. Therefore, we give the person returning from visiting the occupied territories no more than his right that is guaranteed by the law."

Officials in Cairo told us that displaying and selling Israeli goods in such commercial quantities is found only in Rafah and al-'Arish near the borders, where merchants and shopkeepers are able to "pick up" goods that come with arrivals "in large quantities", which they later display in their shops. In Cairo, you will find no traces of such goods, for people arriving from Sinai are subject to strict search and any "commercial" quantities are confiscated. (This was in fact what AL-MAJALLAH crew experienced. A large number of Egyptian security men stopped the returning convoy of vehicles to search it. In the end, on the bus in which we were travelling, only eight apples crossed the Canal, and they most probably will be eaten before we arrive in Cairo).

## PALESTINIAN AFFAIRS

**Program for Building Palestinian State Described**  
44040120 Nicosia *FILASTIN AL-THAWRAH in Arabic*  
20 Nov 88 pp 10-11

[Article: "Program for Building Socioeconomic Nucleus of State"]

[Text] The Intifadah Committee, emanating from the PNC's [Palestine National Council] Intifadah session, held its meetings on Sunday and Monday, 13-14 November 1988, in the presence of all its members, according to the list attached. [no list included] The committee elected Dr 'Abd al-'Aziz al-Hajj chairman and brother Saji Salamah rapporteur.

At the outset of its work, the committee heard the report submitted by the Occupied Homeland Affairs Department and the explanations submitted by the other departments concerned. The committee also heard the

testimony of brother deported strugglers on the conditions in our occupied territories and on the Zionist enemy's fascist practices against our people and their national institutions.

The committee examined the qualitative development of the Intifadah in the general course of our people's national struggle and the advanced central role the Intifadah occupies in the national independence battle. While stressing the fundamental effects, given facts and changes being made by our steadfast and brave masses, the committee salutes with full appreciation and pride the pure martyrs who have fallen on the path of freedom and independence; greets all the wounded, detained, and deported; and lauds the firm national unity that is embodied on the homeland's soil and that binds all our people's factions and their various sectors in a single cohesive fabric under the PLO's banner.

The committee examined the accomplishments the Intifadah has made by stirring our people's immense capabilities to make boundless offerings and sacrifices despite all the forms of Zionist oppression and suppression, including killings, inflicting wounds, arrests, deportation, torture; breaking bones and abortion; not to mention the demolition of homes; the closing of educational, health, social, information and unionist institutions; the storming of towns, villages, and camps; the collective arrests; the campaigns to destroy the economic infrastructures; the levying of taxes; and the destruction of agricultural crops and the blocking of their exportation. All these practices have not curtailed our people's ability to engage in creative revolutionary action, to take initiatives, and to innovate various ways to fight and confront the occupation and the intensifying oppression and suppression. Our people have been able to entrench new revolutionary values and modes of behavior and have redoubled their enrollment in the organizational and popular frameworks in a unique experiment that calls for pride—an experiment relying on comprehensive popular participation and one in which the Unified National Command (UNC) and its popular committees, provincial councils, strike forces, specialized branch committees, and popular frameworks play an important role in organizing and leading all forms of struggle against the enemy and in meeting what the local communities need to confront the Zionist measures.

After detailed discussion, the committee resolves the following:

#### First, at the Political and Organizational Level

1. The PNC appreciates the comprehensive national unity clearly displayed during the uprising and reaffirms the importance and need to reinforce it as a fundamental guarantee to achieve the popular Intifadah's objectives, to insure its continuation, to escalate its pace, and to develop its means until the occupation is defeated, freedom and independence are wrested, and national sovereignty is imposed.

2. [The PNC calls for] escalating the armed struggle and urges the Arab countries to open all fronts for the revolutionaries so that they may perform their sacred duty toward their people and nation.

3. The PNC stresses the need to bolster the role of the Intifadah's UNC, the PLO's struggle arm in our occupied homeland, so as to strengthen its effectiveness and the ability of its frameworks to raise the uprising to advanced levels that deal the occupation agencies further blows and that bolster the people's revolutionary authority on Palestine's soil.

4. While lauding the important role undertaken by the popular youth, women's, labor, students, merchants, engineers, craftsmen, academicians, and employees' frameworks [organizations], the unionist, health, educational, agricultural, information and guard [al-himayah] associations, clubs and committees and the other parts of the network of national institutions, the PNC stresses the need to strengthen these institutions to enable them to continue to intensify the struggle and to complete the process of building the higher councils that unify the popular frameworks.

5. Taking into consideration the (Jordanian) disengagement decision, the PNC stresses the need to embody and give the Palestinian national identity (both in form and substance) to all the institutions, unions, and official and popular bodies. The PNC also stresses the importance of the unity of these institutions at home and abroad and of providing all the means needed to achieve this end.

6. The PNC greets our people in the 1948 territories and underlines the significant role they play in bolstering the Intifadah and in preserving their national identity despite all the attempts at defacing and fusing it.

7. While lauding the creative initiatives of our people's uprising and the programs projected by the UNC in the various political, economic, social, cultural, educational, and other areas, the PNC stresses the importance of bolstering and developing these initiatives, of strengthening and developing the national institutions, of completely boycotting the occupation, and of working to build a national economic base to achieve full national sovereignty and independence.

#### Second, at the Level of Material Aid

While stressing that priority will continue to be given to our people's Intifadah and to their heroic steadfastness, the PNC asks the PLO Executive Committee to continue its work and to implement programs and plans capable of meeting all the needs and requirements of our people's steadfastness and of escalating their heroic Intifadah so that they may form an important steadfastness base and a nucleus for firm economic and social structures that can create a fighting steadfastness which contributes to meeting our people's food, clothing, and housing needs and which provides the largest number possible of work

opportunities for laborers and craftsmen. The PNC also stresses the need for strong eagerness to expeditiously deliver the aid according to the following priorities:

1. Relieving the areas victimized by the brutal Zionist suppression, insuring social welfare for the families of the martyred, wounded, and detained and for the owners of demolished and sealed homes and victims in all sectors, and rehabilitating the disabled and the wounded.

2. Advancing as much aid as possible to the Intifadah's agencies and to the national frameworks and institutions.

3. Advancing as much aid as possible to the cultural, educational, and health institutions to bolster and escalate the important role they play in the popular Intifadah, provided that consideration be given in this regard to the universities, colleges, institutes, schools, kindergartens, cultural and art centers, clubs and associations and to hospitals, medical clinics, unions, organizations, and committees.

4. Advancing as much aid as possible to the agricultural and industrial production sectors and setting up new production projects so as to participate in creating a productive base that contributes to meeting the needs of the Intifadah masses and that provides work opportunities for new graduates, as well as advancing aid to the commercial sector and contributing to the creation of small projects to support craftsmen.

5. Increasing the aid advanced to the occupied homeland's labor unions to bolster their ability to care for workers on strike and workers dismissed from Israeli establishments and so as to fully boycott employment in these establishments.

6. The need to build popular [low-economy] housing projects in which the priority is given to strugglers.

Third, at the Palestinian, Arab, and International Level

A. At the Palestinian Level:

1. The PNC assigns the Executive Committee to formulate a comprehensive plan to let our people wherever they may exist outside Palestine fully respond to their people's Intifadah, to participate in meeting its requirements and needs and, to innovate new means to develop material resources and enhance material aid. The plan shall be distributed to PLO offices and to the aid committees as soon as possible, provided that special committees continue to be formed from PLO offices and from the popular bodies and organizations existing wherever Palestinian gatherings are found outside the occupied homeland in order to make this task a success.

2. Develop the family solidarity program and continue to care for the occupied homeland students studying abroad.

3. Set the PLO departments and institutions in motion and establish specialized departments, institutions, and councils in all areas to formulate and implement plans and programs in our main action arena (the occupied homeland) and coordinate all these plans in a single plan and program compatible with the national independence declaration, with the requirements of the new phase dictated by the great uprising and with the Jordanian Government's decision to disengage from the [West] Bank.

4. Formulate a new, advanced, and effective Palestinian information policy capable of conveying Palestinian developments, news of the Intifadah and the Zionist enemy's practices to the world and of contributing to evoking the desired reactions through word, picture, screen, theater, and all the other means of information.

5. Urge our people's masses wherever they exist, the Arab nation's masses, and the friendly peoples to celebrate the anniversary of the Intifadah on 8 December of each year.

B. At the Arab Level:

1. Strengthen and organize the relations with the Arab nation's masses in their capacity as a strategic dimension supporting our people's struggle and their glorious Intifadah by supporting the formation of popular and specialized committees, by highlighting news of the Intifadah in all the Arab media, by organizing and strengthening the relations with all the Arab labor unions and federations, and by boosting their role in supporting the Intifadah and Palestinian steadfastness.

2. Work to twin Arab cities with Palestinian cities and to tie them to each other, and also work to bind the Arab professional and labor unions and Arab universities with their counterparts in the occupied homeland.

3. Urge the Arab states to fulfill their commitments (the financial aid determined by the Algiers summit) to support the Intifadah in implementation of the resolutions of the Arab (Intifadah) summit which convened in Algiers in June 1988.

C. At the International Level:

1. Continue the active movement at all the official and popular levels to bolster our people's Intifadah and their heroic steadfastness and to express thanks to the friends who have contributed to supporting our people's struggle and to bolstering their Intifadah.

2. Boost the activities of international support Palestine committees and channel their activities to aid the Intifadah and to form new committees specialized in supporting specific sectoral action in the occupied homeland.

3. Boost the role of nongovernmental organizations in supporting the specialized sectoral activities in the occupied homeland, especially the activities of the production, health, and education sectors.

4. Continue to encourage visits by delegations from various sectors of the world's countries to the occupied homeland so such delegations may familiarize themselves on the spot with the fascist Zionist practices and may expose them.

5. Bolster and revitalize the Palestinian presence in the various international political, economic, social, cultural, educational, and other institutions emanating from the United Nations, expose the fascist Zionist practices, and support our people's struggle within the framework of these institutions.

## BAHRAIN

### Commerce Minister Discusses Privatization, Foreign Trade

44040153 Manama AKHBAR AL-KHALIJ in Arabic  
8 Nov 88 pp 1, 4

[Article by Zahrah al-Hamdan]

[Text] His Excellency Habib Ahmad Qasim, the Minister of Commerce and Agriculture, confirmed that there is a genuine intention to transfer several government programs to the private sector, and indicated the importance of the complementary role played by the private sector in relation to the government. He stated that there is a trend toward giving the private sector a more significant role by transferring several government projects to it.

The minister expressed the possibility of starting with small and intermediate government projects. His Excellency also indicated that the role of the government during the next phase will consist of providing planning, direction, and support to the governmental sector so that it can assume the management and operation of large projects. He added that the role of the government may go beyond this in rare cases when there is a need for forming partnerships in order to undertake these projects.

Regarding problems pertaining to the flow of goods over the King Fahd Bridge, Qasim stated that a joint committee has recently been formed in coordination with the customs administration. The committee, which comprises Bahrain's Ministry of Finance, Ministry of National Economy, and Ministry of Commerce and Agriculture, as well as the Saudi Ministry of Finance and Ministry of Commerce, is working to limit and solve all problems pertaining to the flow of goods over the King Fahd Bridge. Qasim emphasized that all such problems and obstacles will be surmounted with the passing of time.

Qasim emphasized that 90 percent of the country's exports do not encounter significant problems, except for the problem of world prices. He indicated that the fact that only 10 percent or 20 million dinars worth of exports face problems confirms that there is no current need for establishing a bank for exports.

His Excellency the Minister of Commerce and Agriculture expressed the willingness of his ministry to study any type of problem impeding the flow of goods between Bahrain and Saudi Arabia.

He stated that the recently proclaimed Gulf Marketing Association, headquartered in Bahrain, will be responsible for expeditiously preparing a strategy for the establishment of a Gulf marketing company to solve problems related to impediments faced by small export industries in Bahrain.

Qasim also disclosed that the Ministerial Council has decided to reexamine the activities of the National Company for Imports and Exports so that this company can engage in marketing and export activities in addition to its import activities, and thereby be able to play an important role in supporting small industries by exporting their products under the auspices of an integrated agency established to accomplish this goal.

He stated that large companies in Bahrain, such as the Oil and Aluminum Company, have a marketing agency. However, regarding the marketing of the products of small industries, he added, his ministry, together with the Ministry of Finance and National Economy and the Ministry of Development and Industry, and in cooperation with the Chamber of Commerce and Industry of Bahrain and the Central Agency for Statistics, will examine the possibility of pursuing a marketing policy that pertains to the products of small companies in such a way that this policy does not disregard the emergence of a marketing company from the National Company for Imports and Exports.

Regarding the issue of financing or supporting exports and export industries, Qasim confirmed that the Ministry of Finance and National Economy and the Ministry of Development and Industry have agreed that commercial banks in Bahrain can grant soft loans to export industries. This has become a trend in these banks, especially the national banks, and the Islamic Bank is also inclining toward playing a role in this area. In this connection, Qasim thinks that it is unlikely that a specialized industrial bank will be established at present, insofar as there is no urgent need for such a bank as determined in discussions held by pertinent governmental agencies.

His Excellency Habib Ahmad Qasim, the Minister of Commerce and Agriculture, yesterday morning chaired the concluding session of a foreign trade conference, "Reality and Future Horizons." In this connection, His

Excellency the minister expressed his appreciation to all who participated in the staging of this conference and enriched it through dialogue and fruitful, serious discussion.

This was followed by a review and discussion of the recommendations generated in the conference. These recommendations dealt with numerous problems pertaining to commerce and foreign trade, and were summarized in 15 paragraphs for confirmation by the pertinent agencies.

The recommendations focused on the need to provide a base of information and precise data on the types of foreign trade in order to facilitate the task of decision-makers in relation to directing development and economic plans. They also urged businessmen, institutions, and companies to take advantage of the foreign trade information bank at the Central Statistics Agency, and advised that expansion of the commodities classification used for foreign trade statistics be effected through coordination between the Chamber of Commerce and Industry of Bahrain and the Central Statistics Agency in order to cover the needs of the private sector to the greatest degree possible.

It was also recommended that the favorable climate be exploited in order to attract foreign investment with the goal of encouraging the establishment of joint industrial projects in Bahrain through increasing the availability of incentives and encouraging circumstances. Another recommendation underscored the need to support existing cooperation between the Ministry of Commerce and Agriculture, the Chamber of Commerce and Industry of Bahrain, and the Central Statistics Agency, in order to provide statistical data of concern to businessmen in general.

Recommendations were also submitted which pertain to:

- The publication of a complete directory that explains all government rules, regulations, and laws and all of the statutes which govern the latter;
- The issuance of directories that explain rules, regulations, and legislation pertaining to import and export operations;
- The need for coordination between GCC [Gulf Cooperation Council] countries in order to establish export industries, especially in areas of industry which require intensive capital investment and high production capacities in order to compete in international markets.

Other recommendations urged:

- Applying reciprocal trade arrangements with the most important countries exporting to Bahrain in order to cover a portion of the trade deficit with them;

- Efforts to take advantage of the joint Arab development funds for financing exports and industrial development;
- Efforts to establish a center concerned with export development affairs to distribute national exports abroad.

It was also agreed to submit recommendations pertaining to:

- Support of national industries through the reduction of rental fees in industrial areas;
- Providing training to local industrial cadres;
- Providing limitations on the import of foreign products which are similar to local products produced locally in the event of a glut;
- Efforts to achieve uniformity with respect to incentives given to industry in Bahrain and incentives given to industry in the other GCC countries.

The following recommendations were also made:

- Simplification and standardization of governmental rules, regulations, and laws among GCC countries in order to facilitate marketing operations and assure the successful transport of national products;
- Efforts toward developing the free zone in Bahrain so that it conforms with other free trade zones in the world;
- The development of agencies dealing with foreign trade affairs in the public and private sectors;
- The preparation of skilled cadres skilled to administer these agencies;
- Efforts to increase coordination between these agencies, and between them and their counterparts in the GCC countries, with the goal of developing foreign trade.

The 15th paragraph of the submitted recommendations focuses on harmonizing the efforts of Bahrain's Ministry of Commerce and Agriculture and other governmental agencies concerned with foreign trade with the efforts of the private sector as represented by the Chamber of Commerce and Industry of Bahrain, in order to expedite the implementation of projects of concern to the state, especially the establishment of an international exhibition center, an international commerce center, and an international commerce arbitration center.

## EGYPT

### West Reportedly Attempts To Undermine Islamic Society

45040119 Cairo AL-NUR in Arabic 30 Nov 88 p 9

[Article by Anwar al-Jundi: "Confronting the Stages of the Outlined Plan To Undermine Islam"]

[Text] The intellectual invasion which is being attempted aims at putting a lid on feelings and emotions in nations which the West wants to control economically. This follows the cries for freedom which were

being heard after the West's plans to drain nations' resources were uncovered. The West is especially interested in the primary materials which abound in the Eastern world and which Western factories need. The West wants to get its hands on these primary materials; it wants to incur the lowest costs in doing so; and it wants its control over the Eastern world to last forever. But that can only come about by creating an intellectual and cultural loyalty to the West which is accomplished by subjugating these nations to Western thinking and to Western culture and ideas.

The Westernization movement started before the intellectual invasion. It was recorded by the orientalist, Hamilton Gibb and his colleagues. Gibb's book, "The Course of Islam," revealed the truth about this course which was being mapped out for Islam. It was a course of subjugating the East and controlling it by changing its intellectual concepts and introducing it into what these orientalist called "the scholarship of culture" or "the scholarship of ideas." The East would be introduced into this mode of scholarship in a submissive position because it is weaker. Because it will not be able to present its own identity or preserve its own character, it will get lost in that large melting pot where it will be blended with other cultures and lose its own special essence.

The intellectual invasion is going on in numerous fields.

- It is going on in the field of education: Western courses are being prescribed in the different fields of thought.
- It is going on in the field of sociology: the Western way of life, with all its evils, is being prescribed.
- It is going on in the field of politics: Western or Marxist ideologies are being prescribed.
- It is going on in the field of economics: usury and Western economic methods are being prescribed. A detailed discussion of each one of these fields is possible.

Resisting the intellectual invasion is serious work, and it is necessary to protect the nation from extinction or disintegration. The foundation for this resistance is that this nation has a way of life and a homegrown social system that is inclusive. The foundation for this resistance is that this nation's way of life is the most authentic because it is divine, humane, worldly, and flexible. This way of life can be adjusted to different environments and different ages, and it can also be adjusted in the face of different challenges.

These poisons which are being strewn to detract from the Arab Islamic character and to criticize and humiliate Islamic thinking must be confronted forcefully and confidently. The falsehood of these attempts must be exposed as each attempt is made, because their aim is to move the Islamic way of life out of the picture by prescribing subordination to the Western way of life.

The Western way of life differs from the Islamic way of life. Whereas the Western way of life is separatist and based on unadulterated materialism, the Islamic way of life combines the spiritual and the material. How can Muslims accept a separatist way of life instead of an inclusive way of life? In addition, the Western culture which is being presented to Muslims and Arabs has reached a stage of decline and ruin. Furthermore, Western society is revealing these severe crises which modern man, the family, and social life are facing. How then can Muslims accept a civilization that is in ruins?

The notion of advancing one race over others and white people over other people is totally rejected in Islamic thinking. The notion of racial superiority is also totally rejected as well as that of drawing a line clearly separating a Muslim from his culture. Whereas knowledge and science are universal, culture is national and associated with each nation's religion, morals, and values. That is why Arabs and Muslims can acquire knowledge and science, but they may not acquire culture from other nations or adopt their ways of life. In the fields of politics, sociology, and economics the West did have a need for human ideologies because its religion is based exclusively on doctrine. Islam, on the other hand, is both a religion and a way of life. That is why it combines two relationships: the relationship between God and man, and that between man and society.

The areas in which the intellectual invasion manifests itself are as follows:

1. Western civilization is being promoted and its importance is being advanced.
2. People are being urged to develop a strong sense of affiliation with the pharaohs and with their own region.
3. The importance of Islamic notables and of the prophet's companions is being diminished.
4. An attempt is being made to portray Islam as a powerless religion, as a non-giving religion, as a religion whose mission has ended, or as a religion for the desert.
5. Western ideologies, Western history, and famous Western figures are being glorified.
6. Arabism is being portrayed as more important than Islam, and a Western notion of nationalism from which the Islamic way of life has been removed is being contrived.
7. Islam is being portrayed as a religion which concerns itself with matters of worship and theology. It is being portrayed as a religion which has nothing to do with society's affairs, its politics, or its economics.
8. Appeals are being made to develop Islam as a human ideology.

9. The Arab essence is being eliminated, and Arab culture which is affiliated with Islam is also being eliminated.

10. Application of the canonical laws of Islam is being blocked, and seeds which are being planted to establish an Islamic economy are being attacked.

11. Islamic education is being separated from education, which is being based on a curriculum that is lacking in Islamic applications.

12. Appeals are being made to subjugate Islam to the age, and Islam is being called upon to abandon its legally prescribed punishments to justify the corruption of contemporary societies.

And yet, none of these conspiracies may manifest themselves for what they really are. Instead, they may adopt a sly, deceptive manner and manifest themselves in ambivalent expressions that hide behind standards for progress, for asserting the Egyptian character, for renovation, and for modernization. These are deceptive tactics which are not unknown to educated Muslims.

13. That is why we have to be cautious, and we have to be discriminating in choosing what we read and what we teach.

First, we have to know who the author is. We have to know his history, and we have to know what he is aiming at and what his objective is. Knowing all that would either reassure us or cause us to become wary about what he writes. There can be no doubt that believing in God and in His messenger and believing in inspiration and the prophecy would indicate that the opinion which is being presented is a sound one. Scholars in the modern age have managed to discover the aim and the purposes of each writer, and Islamic newspapers have published numerous studies in that regard.

Second, sound intentions and a sincere approach in favor of Islam have to be ascertained.

Third, the written material which reveals the objectives of orientalism, Westernization and the intellectual invasion is to be read. We now find that a large number of pro-subordination writers are entering the field of Islamic studies to poison and corrupt its wells of knowledge, and to create doubts about Islamic facts, especially those which have to do with the canonical laws of Islam and the history of the prophet. This is an old attempt that is being made once again to falsify the Islamic awakening and to influence the feelings which believers have about Islam's right to exist and the rights of those who wish to adopt it as a way of life.

It must be known that there are numerous broad differences between the concepts of Islam and those of the West. The most important of these differences are:

First, whereas Western concepts are separatist, basically upholding a materialistic philosophy, Islam is based on combining the material and the spiritual.

Second, whereas the West subscribes to the notion of absolute change and believes that morals are subject to change, Islam is based on constants and variables. In Islam morals are part of the doctrine. Morals, therefore, do not change. What changes, however, are customs and traditions. Because Westerners are secular, they do not know the difference between morals and customs. Morals are the essence of the Islamic message and the Islamic doctrine.

Third, whereas the West subscribes to the idea of material progress only, Islam sets forth a notion of progress which combines the material and the spiritual.

Fourth, whereas the West subscribes to the idea of free sex, dissolution, and luxury, Islam is based on the opposite morals.

Fifth, the West subscribes to the concept of collective responsibility because it considers society responsible for the corruption which can be found in societies. Islam, however, subscribes to a notion that is based on individual responsibility.

This means that the Islamic way of life is radically different from the Western way of life. The West wishes to impose its way of life on us by its cultural invasion. It wants to take us under its wing or throw our nation into its cauldron. But Muslims will not melt away in the Western cauldron.

14. In recent years a collection of facts has been uncovered. These facts, which are attempting to destroy the West's cultural invasion plan, are:

First, the error and corruption of the Western ways which came into our countries have been revealed, especially the error of concepts by Sartre, Freud, and Durkheim. The Marxist has theory received a direct hit. Recently held conferences determined that the theories set forth by all these people were mere assumptions which could be wrong or right. These theories, which are not scientific facts, have failed to deliver on their promises in their societies and environments.

Second, authors like Barclay came forward and revealed indications which suggested that major errors were made in interpreting the ancient books. These discoveries support the truth of what is mentioned in the Holy Koran.

Third, Western authors like Garaudy and Bernard Shaw came forward and restored to Islamic civilization its religion. They did that by acknowledging its contributions to Western civilization.



Fourth, much has been written acknowledging the error of the materialistic interpretation of Islamic history. These works acknowledge the greatness of our lord, Muhammad, may God bless him and grant him salvation, and they place him at the head of a list of 100 great people in the world. These works think that, because of his divine message, the prophet achieved what other reformers could not.

Fifth, scores of conferences have been held in the West acknowledging the greatness of the canonical laws of Islam and their ability to deliver good and noble things.

Sixth, international circles have declared that capitalism and socialism are corrupt and that humanity is looking forward to a just and merciful system that only Islam can offer.

#### **Opposition Uses New Strategy To Participate in Shura Elections**

45000102 London AL-MAJALLAH in Arabic  
24 Jan 89 p 9

[Text] The Egyptian opposition parties have decided to postpone the announcement of their position regarding participation in the Shura Council's coming election, which is based on the individual ticket system instead of the unrestricted slate system, until the draft law which is currently being prepared by the government has been discussed.

These parties also decided not to divulge their special coordination plan for participating in these elections. This is to impede the government from hastening to foil their attempts and introducing new amendments to the law to prevent them from participating, as it did with the local councils' draft election law. The opposition has benefitted from this lesson.

In the same vein, the opposition parties prepared a document which contains the demands and guarantees they seek to achieve before entering the elections in order to prevent any interference or attempt on the part of the government to get the candidate of the ruling National Democratic Party to win. Some of the opposition parties requested that these elections continue to be boycotted in case their demands and guaranties are not met.

#### **New Gulf of Suez Oil Discovery**

45040134C Cairo AL-AHRAM AL-DUWALI in Arabic  
17 Dec 88 p 1

[Article: "New Oil Discovery in Gulf of Suez"]

[Text] Egyptian experts have discovered a new oil field in the waters of the Gulf of Suez in the North October area. Preliminary estimates indicate that the field's production will be about 8,000 barrels a day. Initial tests have established the presence of crude oil in encouraging economic quantities in a previously untested area.

Responding to a question from AL-AHRAM's correspondent, Mr 'Abd al-Hadi Qandil, minister of petroleum, stated that experts of the Gulf of Suez Company (Gupco) discovered the field several days ago at a depth of 11,000 feet. The quality grade is good. The discovery will be evaluated to determine its reserves, and a program will be established to dig production wells to develop the field and put it into production within 2 years. The discovery is located 5 km north of the October field.

It was learned that the oil produced is characterized as good quality crude. Exploratory drilling was done using a drilling rig from the Egyptian Drilling Company, a subsidiary of the [Egyptian] Petroleum Authority.

The petroleum sector now aims at intensifying search and exploratory drilling efforts in previously untested areas and geological strata and at putting new fields into production so Egypt's oil production will remain stable at its current level of 870,000 barrels a day.

#### **Petroleum Minister Gives Figures for Refineries**

45040153B Cairo AL-AHRAM in Arabic 22 Dec 88 p 5

[Article by 'Adil Ibrahim]

[Text] Asyut—Mr 'Abd-al-Hadi Qandil, minister of petroleum and mineral resources, said that total petroleum refinery capacity has reached about 24 million tons of petroleum products, so as to cover the increasing requirements of domestic consumption and operate electricity plants, factories, and productive enterprises.

At a session of the general meeting of the Asyut Petroleum Refining Company, which he chaired yesterday, and which met for the first time at the work site after the beginning of the actual operation phase, the minister stated that a decision had been made to manufacture petroleum refining units domestically, after the first successful operation of manufacturing an integrated refining unit by Egyptian labor in the workshops of the Cairo Petroleum Refinery Works.

The minister asked for the opening of a mobil butane filling plant in Luxor or Qina to serve the needs of the southern areas of Upper Egypt. During the meeting, which was attended by Dr Hamdi al-Banbi, president of the [Egyptian General] Petroleum Corporation, and Anwar al-Ashmawi, vice-president of the General Confederation of Workers of Egypt and head of the General Petroleum Labor Union, he stated that the ratio of foreign experts in joint petroleum sector companies does not exceed 2 percent, while the ratio for foreign experts permitted by the Ministry of Manpower is 10 percent. This confirms the efficiency and skill of Egyptian workers in all fields that used to be the monopoly of foreigners.

'Izz-al-Din al-Wakil, first deputy secretary of the Ministry of Finance, and Isma'il al-Mallahi, first deputy secretary of the Central Computer Agency, praised the excellent performance of the petroleum workers and their efforts to turn the desert of Manqabad into an integrated industrial and residential complex on an area of 1,037 feddans.

Engineer Sa'id Abazah, president of the Asyut Petroleum Refining Company indicated that the value of the Asyut refinery's production during the initial experimental operation phase in the 6 months from January to June was about 10.9 million Egyptian pounds, or 425,000 pounds over target. A surplus of 448,000 pounds had been realized, or 11 percent over target.

#### **Petroleum Minister Discloses New Petroleum Projects**

45040134B Cairo AL-AHRAM AL-DUWALI in Arabic  
27 Dec 88 p 1

[Article: "Six New Oil Discoveries To Become Producing Fields in the New Year, Egypt Participates in OPEC Efforts To Prevent Collapse of World Prices"]

[Text] Mr 'Abd al-Hadi Qandil, minister of petroleum and mineral resources, stated that the new year would witness the transformation of six new oil discoveries in the Gulf of Suez and Western Desert into producing fields. These would add a production capacity of 635 million cubic feet a day in the Timsah and Port Fu'ad fields in the Mediterranean and four fields in the North Delta, Abu Qir, and Western Desert.

The minister stated that Egypt had achieved self-sufficiency in butane gas consumption and would begin exporting the surplus this year as a result of new projects and expansions put into operation in the Jabal al-Zayt, Sinai, Abu Madi, and Abu Qir fields.

Natural gas will be supplied to 50,000 homes in the al-Zamalik, al-'Abbasiyah, and al-Jizah areas. Butane production and packaging will increase to 64,000 cylinders a day. In cooperation with the governorates, the construction of pilot plants for butane gas will be expanded, including a plant in Luxor or Qina with a capacity of 3,000 cylinders a day. The butane production plant at the Asyut refinery will be put into operation with a capacity of 1,200 cylinders an hour.

Egypt is participating in efforts by the petroleum-exporting countries (OPEC) to avoid a collapse of world prices.

The minister stated that Egypt hoped prices would stabilize during the new year. Talks will be held in Cairo on coordination among these countries. Dr Subroto, the general secretary of OPEC, and Shaykh Ahmad al-Shanfari, the minister of petroleum of the Sultanate of Oman, will arrive on 9 January to agree on means to achieve world petroleum price stability.

Mr 'Abd al-Hadi Qandil told AL-AHRAM's correspondent, 'Adil Ibrahim, that new expansions would be put into effect during the new year at the Abu Madi gas field to increase its production capacity from 6.8 million cubic meters to 10.2 cubic meters a day to cover the requirements of the Damietta electricity plant. Plants in the North Delta would be expanded. The ethylene and polyethylene production project at the al-'Amiriyah petrochemical complex would begin to be implemented. Expansion of the Asyut refinery would begin aimed at increasing its production to 100,000 barrels a day over 36 months. Airplane and foreign vessel fueling operations in Egyptian airports and harbors will be expanded to deal with the constant increase of air and sea lines.

#### **Economists Discuss Foreign Versus Domestic Investment**

45040132a Cairo AL-JUMHURIYAH in Arabic  
1 Dec 88 p 5

[Article by Hasan 'Amir]

[Text] With very few exceptions, all the countries of the world, including those in the Eastern Bloc, solicit foreign investments for their countries. As far as we know, only Burma and Albania do not.

The United Nations has listed 25 competitive benefits which are offered by countries as inducements for foreign capital. Some of these benefits are normal and conventional. We see such benefits in the United States, in Canada, and in Western Europe. Other benefits which are offered by countries come in the form of exemptions from taxes, customs fees, and labor laws. Some countries also grant foreign capital greater latitude in transferring profits and capital, and sometimes land and facilities are offered free of charge.

Some countries also give up some of their national sovereignty for foreign investments. We see that in Cyprus, Malta, Hong Kong, Singapore, the Bahamas, and elsewhere.

Where does Egypt stand among all these countries which are competing for foreign investments?

The question, which was put to the conference of Egyptian economists, was settled by Dr Mustafa 'Izz-al-'Arab, a researcher. Dr 'Izz-al-'Arab said, "Egypt's position in that competition has been very modest. We have to take another look at it."

The conclusion reached by Dr 'Izz-al-'Arab is based on several pieces of evidence, the most important of which is that Egypt is not very accessible to the outside world. In his opinion this accessibility is not to be measured by the number of tourists who visit Egypt. Nor is it to be measured by the number of Egyptians who travel abroad

or by the flow of foreign culture and information into the country. Instead, it is to be measured by the extent to which Egypt is a player on the scene of international exports.

"Egyptian exports are modest. Consequently, the ability of the Egyptian economy to make contact with other economies and to compete is weak.

"Our absence from this market is no inducement to anyone, at least not at the present time, to risk investing in our country."

It is also the researcher's opinion that good management is missing from the national economy. This applies to both the public and the private sectors. Competence is mediocre and so are the results.

In practical terms also Egypt is poor when it comes to the total number of skilled workers it has. Only 20 percent of the labor force in Egypt is skilled labor, compared with Singapore's 40 percent and Korea's and Cyprus's 30 percent.

Also, labor is not inexpensive in Egypt. In the past cheap labor was a relative advantage for foreign investments.

Given that point of view, the researcher reached a specific conclusion: Egypt cannot compete internationally to attract foreign investments.

That reading of the economic facts was countered by this claim. Why are we putting ourselves down for a fistful of dollars? Why are we doing that if in fact we have nothing attractive to offer foreign investors, and if for the past 14 years total foreign investments in Egypt have not exceeded 2 billion pounds? Most of these investments were made in banks, consultants' offices, travel agencies, and real estate firms. If that is the case, why did we offer concessions for an illusion that did not and will not materialize, and why are we getting ready to offer more concessions in the uniform investment law which is about to be issued?

It would be better for us economically and nationally if the new law were to give all the benefits to Egyptians. We should be giving Egyptians additional benefits. It would be better for us if foreign investments were sponsored by Egyptian investors.

This claim could foster a sense of belonging among those who have capital, and it could set things in motion. It could mobilize idle savings and wandering funds, and it could encourage those who have been riding the fence to take investment initiatives.

AL-JUMHURIYAH asked about that.

Dr Ahmad Shawqi, who is a real and proper businessman, replied enthusiastically, "This is a reasonable claim, and it is 100 percent logical. I have always said that no one but the Egyptians will build Egypt. Experience has proved that to be true.

"An Egyptian can tolerate his country's circumstances. He can tolerate the 'misfortunes' of bureaucracy, the problems of the infrastructure, and 'the confusion' of incomprehensible prevailing values.

"An Egyptian is willing to act provided he does not have a sense of alienation. He has to feel that he is outstanding. [Sentence as published] The state should not look upon him as though he were a thief, nor should it think that all he wants is a profit. The state should not, therefore, think that it has to 'trip him up' before he makes a profit."

Dr Shawqi wonders, "What does the foreign investor want? Is he investing in our country because he likes the color of our eyes? Quite the contrary: the foreign investor comes here first and foremost to make a profit. If the profit he expects to make here is not higher than what he might expect elsewhere, he will not come here no matter how tempting our offers are."

Experience has shown us this. According to Law No 43 Egyptians are responsible for 70 percent of actual investments that have been made. The remaining investments are divided as follows: 6 percent for the Americans; 5 percent for the Europeans; 16 percent for the Arabs; and 3 percent for other nationalities from Asia and Africa.

Why then are we so anxious about this?

Muhammad Shafiq Jabr, vice president of the American Chamber of Commerce in Cairo added, "I am in total agreement with that opinion. My own experience has confirmed it. Approximately 2 months ago the chamber sent a delegation to Washington to encourage Americans to make more investments in Egypt.

"We met many businessmen in Washington, but one of them gave it to us straight when he said, 'Why did you come looking for American investments? All the international reports affirm that Egyptians have large amounts of money which are not being utilized and are not being invested. The banks have a lot of money, and all the foreign currency which is held by Egyptian banks is deposited abroad and is not being invested. These banks are living on the differences in interest rates. Furthermore, Egyptians have lots of funds abroad. Why don't you try attracting those funds first?'

"The American then added, 'I believe that foreign investors would run after you if you succeed in persuading Egyptians to invest. If your projects become so famous and so successful, they would make us want to work with you.'

"Because of this advice we closed the files and came back. We have to start here first."

Dr Faruq Nasir, an economist, opposes this view and says, "Our discussion suggests that we did in fact make every effort and that we did exhaust all the opportunities. But what happened is exactly the opposite. We issued Law No 43, and we did not implement it. The law was suspended for a long time until we defined the concept of customs and tax exemptions."

"We must now improve our performance before we can determine whether the experiment has been a success or a failure."

It is the opinion of Dr Sami Hatim, a professor in the College of Foreign Trade, that this view requires a legal and institutional interpretation. However, before going on to set forth his idea, he qualifies his opinion by saying, "Societies do not live by laws alone, and laws do not solve society's problems. The law is a standard for business; if we do not follow it, its value, its effectiveness, and its importance are eroded."

It is true that laws are important, but what is more important is the proper implementation of the law.

Let's take Law No 43, for example. The so-called Investment Authority which is implementing that law is riddled with red tape. It has scores of offices and a long line of deputy ministers, general managers and division managers. And yet, what has been the outcome of its efforts 14 years after this law went into effect?

The authority itself has not been infused with the spirit of the law.

Legislators entrusted the authority with the task of promoting investments, that is, operating like a businessman. The authority was to come up with innovative project ideas; it was to provide the finances and the technical know-how for these projects; and then it was to sell them in the marketplace. But the authority did not do that. Instead, it was quite content to function as a "rubber stamp." That is, it studied and investigated projects which were submitted to it, and it approved them.

We also issued the Money Market Law, and we established the Central Markets Authority which was unheard from until recently. We heard from that authority after the scandal with Islamic investment firms.

The authority's principal function is to create financial instruments such as stocks and bonds. It is to promote such instruments among those who have small as well as moderate savings.

I'm afraid that the laws are dead. The authorities have forgotten what their functions are. That is a shame, but there is no power save in God.

AL-JUMHURIYAH asked what could be done about that.

Dr Sami Hatim replied, "We most certainly need a fundamental change in three laws if we are serious about persuading first Egyptians, and then foreigners and Arabs, to make investments."

"First, we need to get a new perspective on the role of the Central Bank. We need a new law. The bank has forgotten all of its functions except for that of a bank policeman who is interested first and foremost in violations, inspections, and control."

"This role is indeed an important one, but the bank has given its other roles a vacation. A central bank abroad affirms its presence in the market every day, and it has an effect on interest rates. It issues financial instruments, and it creates alternatives to money. A central bank abroad stimulates the activity of supply and demand, and it requires banks that are subordinate to it to make direct and indirect investments."

"Second, we need new change and a new law for the Central Markets Authority which would require it to carry out its principal function of urging and mobilizing those who have savings to invest."

"The absence of such a role from the market was the direct reason why the investment crime was committed."

### **Economists Discuss Investment Crisis' Effects on Banks**

#### **Regaining Depositors' Trust**

45040148 Cairo AKHBAR AL-YAWM in Arabic  
10 Dec 88 p 3

[Article by Mahmud Salim]

[Excerpts] [Passage omitted] I began by asking 'Ali Najm, former governor of the Central Bank of Egypt and chairman of Union Des Banques Arabes et Francaises:

[AKHBAR AL-YAWM] What are your expectations in view of what happened?

[Najm] Savings should not go back under the mattress in spite of the recent crisis. Investors must rethink. They will see clearly after the storm created by this crisis dissipates. It will be obvious to them that secure investment is preferable to running after unrealistic returns or profits.

[AKHBAR AL-YAWM] Where does the small investor go?

[Najm] Money can be invested in dozens of places ranging from the post office to commercial banks to certificates of deposit and investments. Every Egyptian

bank has innumerable savings vehicles denominated in Egyptian pounds and in foreign currencies. One must return to these vehicles because they offer fund security. A high return must never blind one to risk, no matter what the temptation. Security should be given preference over a high return a thousand times over!

[AKHBAR AL-YAWM] There is no question that banks offer security, but are the returns they offer high enough to attract savings?

[Najm] Did you know that the interest rate in Switzerland is 2.5 percent? No Swiss attempted to convert his francs into dollars when the interest rate for the dollar was 25 percent. Also, in Germany the mark has an interest rate of about 4 percent.

[AKHBAR AL-YAWM] But the franc and the mark are strong currencies.

[Najm] That is true, but we weaken the Egyptian pound by pursuing desperate acts. I don't believe that higher bank interest rates would solve the problem. They should remain at their present level. Raising them would result in higher prices, then higher inflation, and we would have accomplished nothing.

[AKHBAR AL-YAWM] But why do investors shun banks?

The answer came from Dr Ibrahim Mukhtar, director general of Misr-Iran Development Bank:

[Mukhtar] Despite the abundance of investment vehicles available through commercial and Islamic banks, and in light of my analysis of the client profile of investment companies, I can state that shunning banks in favor of these companies is not caused by a lack of investment and banking savvy, since investment company clients span the entire spectrum of society. There is no justification for a phenomenon where citizens entrust their savings to individuals without prior familiarity with them or knowledge of their practices. The citizens were not even informed periodically, one way or another, of the outcome of such practices!

The core of the problem was the desire for quick profit at the abnormal rates disbursed by such companies in the beginning. In return for these rates, investors relinquished knowledge of the true destiny of their funds.

The rate of return distributed could not have been achieved in any society under any condition. The banks are not to blame because both traditional and Islamic banks offer savings vehicles. Investment vehicles are also available but at realistic rates of return that are much lower than what the investment companies used to dispense. The banks should not be asked to compete with this by artificially raising their rates. There is no point in competing in this fashion since the banks themselves do not realize this kind of return.

[passage omitted] Discussing a plan to attract savings, Dr Ibrahim Mukhtar says there is a problem that hampers any plans to attract Egyptian savings abroad and to keep the rich from investing overseas.

The state has certainly granted many incentives and tax exemptions, but there still remains the matter of inheritance and estate taxes that are sometimes so high as to effectively confiscate the legacy. A tax such as this prompts citizens to keep their funds out of its reach. It is my view that these taxes should be abolished or reduced, especially since they bring in barely 29 million pounds despite the efforts of some 500 tax department employees who could be better deployed in improving compliance with and collection of other forms of taxation. By comparison, a similar 500 other tax employees produce more than 2 billion pounds in revenue from other taxes!

Another issue of grave importance: Figures provided by Dr Husni Hafiz 'Abd-al-Rahman, the undersecretary ministry at the National investment Bank, tell us that Egyptian savings abroad amount to at least \$30 billion, of which a considerable share could be invested in Egypt.

The issue, Dr Husni Hafiz says, is not merely how to attract new savings, but how to invest existing bank deposits. Egyptians have no less than 40 billion pounds in Egyptian banks in demand and term deposits denominated in Egyptian and foreign currencies. Approximately 15 billion of these deposits are denominated in foreign currencies. The task we face now is to draw up a sound economic and credit policy to make possible the investment of these funds in productive projects with rates of return higher than the banks can presently offer.

Dr Husni Hafiz believes that regardless of what happened, people should not go back to putting their savings under the mattress but should consider financing small industries or investing in small corporations as well as bank savings vehicles such as deposits, investment certificates, and savings accounts.

#### Methods To Lure Investments

45040148 Cairo AKHBAR AL-YAWM in Arabic  
10 Dec 88 p 3

[Article by Mahmud Salim]

[Excerpts] [Passage omitted] Central Bank governor Dr Salah Hamid advises deliberation before raising current interest rates and says that, for the time being, he cannot personally support or oppose such a move until a study has been made to determine the extent to which this may attract savings and impact investment and study ways of investing new bank deposits.

The Central Bank governor said there are enough bank savings vehicles to attract depositors, such as 5-year and 3-year investment certificates and investment certificates with monthly payments. There are also several other vehicles such as postal savings accounts.

Dr Samir Tubar, chairman of the National Democratic Party's economic committee, says he is not opposed in principle to bank bonuses to encourage investors to maintain deposits in various vehicles such as investment certificates. His opposition, however, is to the size of such bonuses. He views a 50,000 pound bonus as inconceivable and advocates decreasing the value of bonuses and increasing their number. He says a bonus of 50,000 pounds, or even 20,000 pounds, would be out of line, and so would a bonus in the form of an apartment or a car. He believes that bank bonuses should consist of a large number of bonuses.

Dr Muhammad Fajj-al-Nur, chairman of the Central Markets Authority, believes the market can play an important role in attracting savings by offering stocks and bonds. In this connection, the market is studying the feasibility of issuing new bonds in order to invigorate the Egyptian money market by offering fixed rates ranging from 15 to 20 percent. Such bonds would be variable in the sense that their dividends are quarterly, semiannual, or annual, for instance, depending on the issue. He pointed out that the matter is still under serious study and no decision has yet been taken on it. He is very much in favor of issuing bonds with a high interest rate exceeding 20 percent.

He pointed out that such a bond issue would encourage the issuance of securities and stimulate their circulation among the citizenry, thus absorbing a great deal of liquidity from the Egyptian market. [passage omitted]

### **Housing Minister Discusses Urbanization Problems**

45040163 Cairo MAYU in Arabic 12 Dec 88 p 12

[Interview With Minister of Housing, Utilities, and New Urban Communities Engineer Hasaballah al-Kafrawi by Nabil Abazah: "Farmer With Rank of Minister; They Deceived Us, Telling Us That 96 Percent of Our Lands Are Desert Lands; Sinai Has Moved From State of Backwardness to Cultural Level Comparable to That of Delta and Valley"—date and place not given]

[Text] This man always begins his answers with a prayer upon our master, Muhammad, may God's peace and prayers be upon him, and attributes all his accomplishments to date to success granted by God. When speaking of future projects, he always says: God, may He be praised, willing.

He does not think with the mentality of the prominent official who sits in an air-conditioned room but with the mentality of the engineer who lives at the work sites in deserts remote from civilization and in isolated areas which he resolutely tries to turn into developed population-attracting areas comparable to Cairo and the delta. The objective he seeks to achieve is to enable us to go beyond the narrow area in which we currently exist and which does not exceed four percent of [the country's area].

He is a farmer by nature, thought, and loyalty. He is aligned with the majority, the people. He believes that people do not accept now what they accepted in the past, in the 1940's and 1950's, thanks to the artificial satellites revolution and to television's entry into every home. He believes that the peoples' aspirations have become very great.

He believes in the plurality of opinions, respects the opinions of others, and puts them to use. He may change or modify his decision. He believes that no law should be issued remotely from the masses and that no law issued remotely from the people has been sound. The examples before us are numerous.

While this interview was being conducted, his telephone rang. The caller was the chairman of the committee debating the new housing bill. Al-Kafrawi asked the caller to read the proposals published by one of the opposition papers on that day and told him: We may benefit from them. He who renders an opinion should be rewarded and if he is wrong [presumably meaning right] his reward should be twofold.

This man is Hasaballah al-Kafrawi, the minister of new urban communities.

[MAYU] You have been the minister of housing and new urban communities for more than 12 years. What is your philosophy and concept of reconstruction?

[Kafrawi] The ministry was created in 1973 for the specific task of rebuilding the canal area after the war. But after 1977, the task changed from reconstruction to development. We live on a very small area of land exceeding no more than four percent the country's total area. We cultivate 26/1000 of the country and build on 14/1000 of its area. The colonists convinced us that the rest is desert land. But every Egyptian must believe that it is not desert land and that it can be exploited.

[MAYU] How?

[Kafrawi] This area can be exploited in all kinds of ways. It is cultivable. Even an area where water is available contains minerals. An area where no water and no minerals are available is rich with fish. [sentence as published] An area where no water, minerals or fish are available is fully convenient for tourism.

[MAYU] Have you conducted studies and research on these areas?

[Kafrawi] We have surveyed all parts of Egypt and determined their actual exploitation potentials. Top-level practical and technical studies have been conducted jointly by ministry experts and international expertise. We have studied the potentials of the Sinai, of the northwestern coast, of the Red Sea, of the New

Valley, of the High Dam lake, of the canal area, and of all the previously so-called isolated areas. We have learned how their natural potentials and resources are exploited.

[MAYU] How are these isolated areas developed?

[Kafrawi] By creating new work opportunities and by achieving in these areas a living standard that is not lower than the standard in the old cities. For example, we may send youngmen to the Sinai to fight and die. This is a national duty they have to perform. But to send youngmen to live in the Sinai, we must first induce them to agree to live there. To offer the youth a comfortable life, we must supply them with the necessary utilities or with what we call the infrastructure, including roads, electricity, potable water, schools, housing, and other facilities. The youth will thus go to achieve self-realization, to work, to enrich themselves and to grow.

[MAYU] This is an important activity.

[Kafrawi] Not only important but also urgently needed because housing development is encroaching upon the cultivable acreage, amounting to 26/1000 of the country's area, as a result of the population growth. This is the most serious imminent danger engulfing us. Our only option is to move and spread into these areas, especially since they are rich with their exploitable natural resources.

[MAYU] You are credited with preaching the importance of accelerated construction of the utilities which we have long neglected. How has this been done?

[Kafrawi] All the credit goes to God, may He be praised, and to the wisdom of President Husni Mubarak. After repeated ruptures in the sewage pipelines of Misr al-Qadimah and al-Jizah, the president contacted me and I told him that this was a strong warning and a red light alerting us to the serious nature of this problem. A meeting was later held in al-Dakhilah at the end of 1981. At that meeting, I discussed the problem fully, and the president was convinced of the need to allocate 2 billion pounds in the first [5-year] plan and a bigger sum in the second plan until 13 billion pounds are spent on drinking water and sewage.

[MAYU] Have these sums been spent?

[Kafrawi] We spent 2.5 billion pounds in the first plan which ended in 1987, and we have spent 900 million pounds in the first year of the second plan for which a sum of 3.5 billion pounds have been appropriated.

[MAYU] Did implementation begin as soon as the president appropriated these sums?

[Kafrawi] Immediately, because we were ready with a complete plan that had been preceded by lengthy studies on our needs. The reason President Mubarak made his

decision is that he became convinced that it was impossible to achieve development without utilities or to bring in investments and investors without them.

[MAYU] Regarding drinking water, what are the accomplishments made in this period?

[Kafrawi] It suffices to tell you that in 1952, the daily per capita water share was 70 liters whereas it is now 170 liters even though the population has grown from 21 million to 50 million.

[MAYU] When will drinking water be delivered to all villages?

[Kafrawi] There is no country in the world, not even the United States, where drinking water is delivered to all villages. Why? Because some villages rely on underground water. Underground water, as long as it is free of iron and is not polluted, is certainly better than treated water. However, I can say that by the end of the plan, 85 percent of the citizens will be drinking treated water and 15 percent, such as the citizens of the Central Sinai, the New Valley, the Eastern Desert between the valley and the Red Sea and some Upper Egypt villages, will be drinking well water.

[MAYU] Will drinking from canals disappear finally?

[Kafrawi] It is very rare to find people drinking from canals now. We have imported and installed 250 small treatment plants and we are now manufacturing other units. These plants rely on the old theory of filtration and sterilization. We have installed these units at the end of canals in areas to which we cannot deliver drinking water.

[MAYU] What about wells with a high iron content?

[Kafrawi] We have installed in such wells special treatment units that differ from the ordinary treatment units.

[MAYU] How about the sewage projects?

[Kafrawi] Cairo's sewage disposal network alone will cost nearly 4 billion pounds. We have divided Cairo into 3 sections: The eastern section where Britain is helping with loans and grants, the southern section where the EEC is helping, and the western section, west of the Nile, where the United States is helping. This ambitious project serves 11 million people constituting Cairo's population. It is certain that this project will have the world's biggest sewage disposal plant. When I said this before the president on television, a journalist wrote saying—and this is true—that he does not like use of the superlative case. I contacted this journalist and told him: I am a man who means what he says. When I use the superlative case in connection with something, then it is

a fact. I then sent the journalist a certificate from international pump experts confirming that the plant will be the biggest pumping plant manufactured in the world to date.

[MAYU] What are the reconstruction projects accomplished in the Sinai?

[Kafrawi] As I have already told you, the Sinai had to move from its state of backwardness to an urban level comparable to that of the delta and the valley. By all criteria, this has been accomplished, if not surpassed.

(He added, laughing:) Is there a superlative in this answer?

[MAYU] Have the projects completed there enhanced the area to the level that allows one to compare it with the valley's living standard?

[Kafrawi] Yes. The figures alone demonstrate this. Go there and check the number of schools which existed prior to 1976 and the number existing now, the number of apartments existing then and the number existing now. Check the electricity, the roads, agriculture, and the other utilities and projects and compare each of these elements. Insofar as the percentage of schools to students in the republic is concerned, we find, for example, that this percentage is better in the Sinai, and so forth.

[MAYU] Is it true that the new towns have returned a rewarding yield?

[Kafrawi] The yield produced by investment in these towns is much higher than the yield of any other type of investment or investment vessel. If we take the 10 Ramadan City as an example, we find that the infrastructures cost 242 million pounds. We got 209 million pounds from the state treasury and 33 millions in intrinsic financing generated by land sales. Housing cost 122 million pounds, all self-financed. What is important is that the entire sum was 242 million pounds. The private sector invested 329 million pounds, with the total thus amounting to 570 million pounds. The yield from this sum which was invested in factories is 1,165,000,000 pounds annually. This yield was not available previously. This means that every state treasury pound invested in this city has produced 5 pounds to date. Industries under construction, with a capital of 247 million pounds, will yield nearly one billion pounds. This means that the future yield will rise from 5 to 8 or 9 pounds.

[MAYU] But some people say that most of the new cities are empty and inhabited by nobody. Is this true?

[Kafrawi] They mean al-Sadat City in particular. This city has its story. The existing disagreements affect the city's growth. The city has lost 2 factories which were supposed to be built in there, namely the reinforcement steel factory which has been built in al-Dakhilah and the

yarn and textile factory which has been built in Shabin al-Kawm. A number of ministries were also supposed to move to this city but this has not been done. Despite this, we are now building [in this city] 10,000 apartments which will cost 100 million pounds.

[MAYU] Why?

[Kafrawi] Because al-Sadat City is the only city which was guaranteed all the elements of success as of the beginning. It is located in the center of the delta. It takes 25 minutes to get from this city to Shabin al-Kawm, one hour to get to Damanhur, and one hour to get to Tanta. A special road leading to the city and special bridges connecting it with the central delta have been built.

[MAYU] Will the "satellites" or suburbs which are to be built along the beltway encircling Cairo solve the capital's problems?

[Kafrawi] Cairo shares some of the features and problems of the world's major cities, such as overcrowding, pollution, and utility problems. We find these features in New York, in Moscow, and so forth. They have been able to solve their problems with methods which we, also, are trying to apply. The studies started in 1978 but implementation did not begin until 1982. The plan relies on three fundamental steps: The first is to build a beltway around the developed area (to curtail its expansion) and then to build internal arteries leading to this beltway so as to facilitate traffic and not to compel it to enter Cairo. Vehicles heading from the south to Lower Egypt can use this beltway. Even a vehicle coming from one of Cairo's suburbs can exit to the beltway and use it to get to another suburb with greater facility and more quickly than by using Cairo's streets.

The second step is to move the factories that pollute the environment out of the city and to the suburbs which will be built along the beltway.

[MAYU] When will the construction of this beltway be completed?

[Kafrawi] We have completed nearly 40 percent of the beltway. Work on the beltway, on its bridges, and on the access roads leading to it will be completed in 1992, God willing.

[MAYU] What about the third step?

[Kafrawi] Cairo was divided into 16 sections. A study has been conducted on each section, its problems, and the solution to these problems. It has been concluded that the solution lies in building 10 "satellites" or suburbs on the outer side of the beltway. Each suburb will be designated to solve the sections' similar problems. For example, we will set up the environment-polluting factories in one suburb and replace the existing factories with parks or parking lots. If a section suffers from high population density, we will reduce this density



by transferring a part of the population to one or more suburbs. We will then replan the section, as we have done in al-Turjuman and 'Arab al-Muhammadi areas. We will also transfer wholesale markets, cemeteries, and so forth.

[MAYU] Let us turn to the housing problem. When will the sign "apartment for rent" be seen again?

[Kafrawi] The entire world is suffering from a housing problem whose intensity varies from country to country according to the same equation, namely the difference between incomes and prices. It is an economic problem. The average construction rate in the rich countries is 7 units per 1,000 citizens, meaning that 7 units are built annually for every 1,000 citizens. Considering that our population is 50 million people, we have to build 350 [thousand] units annually to feel comfortable.

[MAYU] How many units are being built annually at present?

[Kafrawi] We used to build 38,000 apartments but last year we built 17,000 apartments, i.e., half the previous percentage.

Some say that there was no housing problem prior to 1952 and that the sign "apartment for rent" was visible. This was for the rich only whereas the homes of farmers and of the poor consisted of corn stalks covered with mud. Farmers now live in homes built of brick and cement.

[MAYU] Why have you been considering the promulgation of a new housing law?

[Kafrawi] We have been considering it to deal with the problems that have surfaced recently and to unify the housing laws.

[MAYU] Some published proposals have caused confusion. Are these proposals true?

[Kafrawi] I believe that an end has been put to the confusion. There is no doubt that the government should stand neutral between landlord and tenant. If it has to take sides, then it must side with the majority, i.e., the tenants.

[MAYU] Who drafted the new law?

[Kafrawi] I asked the minister of justice to nominate a number of jurists experienced in landlord-tenant relations. He selected 2 deputies of the Appeals Court chairman, saying that they worked most of their lives in the rent circuits. They took part with us in defining the types of problems encountered and we began to develop solutions for them. For the effort to be acceptable, I had to consult the people. I believe that no law issued remotely from the people is sound. This is why we invited the parties whose representatives took part in a

3-month symposium. We formed specialized legal, economic, and technical committees which included representatives from all the parties. Upon completing our work, we sent the bill to the parties, even though they had participated with us in an individual capacity, because this is a popular issue.

[MAYU] It has been said that you went to the parties and attended a symposium to discuss the new law.

[Kafrawi] Al-Wafd, the [Muslim] Brotherhood, and the Labor Party organized a joint symposium and invited me to attend. I went, only to be surprised by questions about the emergency law, freedom, democracy, and Camp David!

I told them: This is an experiment that we wish to strengthen. Before issuing a law that touches on the people's interests, the government is turning to you to discuss the law with you or at least to hear the other objective viewpoint. Let us be objective. This is a law that concerns landlord-tenant relations. Let us confine our discussions to this law and to whatever may emanate from it so that we may come out with a conclusion. The debates did in fact last 3 hours which focused totally on the issue. I benefited from those discussions and made changes.

[MAYU] How about your discussions with the Grouping Party?

[Kafrawi] They were magnificent and most free.

[MAYU] When will the debates on the bill end?

[Kafrawi] This week. We will then send the bill to the State Council to be drafted. Later, it will be debated by the cabinet committees.

[MAYU] What are the most significant pivotal points around which the new law is founded?

[Kafrawi] First, there is a national wealth embodied in these buildings which must be preserved and maintained. This cannot be done with slogans. Every party must have an interest in this maintenance.

Second, we must put a small part of the national [revenue] increase in a fund to help those whose incomes have not increased.

The third pivotal point is the private sector. We cannot ignore this sector because it is a fundamental element in meeting society's needs. We must give this sector a degree of freedom that does not undermine basic principles and rules. The first is the principle of a stable and constant relationship on which there can be no backing down. There is no country in the world where the landlord-tenant relationship is not stable and constant. When a landlord builds an apartment building and reserves an apartment in it for his daughter, he is

entitled to do so. But we tell such a landlord: Instead of leaving the apartment vacant until your daughter marries, why don't you rent it for a limited time and let the contract state that the lease ends on a given date? The landlord will have the right to take over the apartment on the given date without having to go to the courts. The prosecution attorney concerned will deliver it to the landlord immediately. In other than this case, the landlord-tenant relationship is stable and constant.

I believe that the logic here is very clear. I don't want a landlord to shut the apartment and stop finishing the building until his children are married in 5 or 6 years. When he leases the apartment for a specific period of time, he will benefit and will serve others.

[MAYU] Is it true that there are 1.8 million sealed apartments?

[Kafrawi] I don't think so. The apartments and units checked by the Central Mobilization Agency are, in fact, summer apartments, apartments in the countryside or apartments whose owners work abroad. A small part of them are apartments set aside for landlords' children. Generally, I have asked the Central Mobilization and Statistics Agency to conduct a study on these units to find out their composition and to itemize them.

I emerged from the long meeting with Eng Hasaballah al-Kafrawi full of hope in the future and confident that prosperity is not impossible for Egypt.

#### **Islamic Ulema Issue Communique on 'Changing Wrongdoing'**

45000098 Cairo AKHIR SA'AH in Arabic 4 Jan 89 p 7

[Text] In the Name of God, the Blessed, the Merciful:

The reform that Islam advocates for all aspects of society relies first of all on persuasion, education, and logical argument. It totally rejects resorting to violence, coercion, or the seizure of the rights of others in the name of religion.

Islamic law has set down clear means by which to change wrongdoing and deviance without accusing someone of irreligiosity or impetuosity in order to reach that goal. That is what the holy verse means when it says:

"Invite all to the way of thy Lord with wisdom and beautiful preaching; and argue with them in ways that are best and most gracious."

There are also numerous sayings by the illustrious prophet which prohibit charging a Muslim with irreligiosity, among them what al-Bukhari and al-Muslim, may God be pleased with them, relayed, based on Ibn 'Amr, who relates that the prophet said:

"If a man tells his brother, 'You are an infidel,' the accusation has been leveled against one of them. It is true as he says, but he himself is the infidel." Al-Bukhari and al-Muslim also relate from Abu Dhar, who says that he heard the prophet say: "Whoever accuses a man of irreligiosity or says that he is the enemy of God and it is not true, this accusation diminishes him....indeed, the charge will be drawn back upon himself."

We believe in the faith of the officials in Egypt. They will not reject God as an authority or Islam as a principle. They are working to transmit the Islamic call to its full extent painstakingly and practically, but are waiting for the opportune circumstances to do so, and that calls for patience.

For this reason, we request that the youthful public keep within the limits prescribed by God, avoid that which will harm Islam, and understand that change prescribed by Shari'ah [Islamic law] is in orderly stages, set forth in detail by the true Hadith [the sayings of the prophet] as follows:

"Anyone among you who sees a reprehensible act should change it by his own hand [by action]; if he cannot, then with his tongue [by words]; if he cannot, then with his heart [by praying]."

The ulema have agreed that to change a reprehensible act by one's own hands is the duty of the man in charge and of each person within the limits of his or her responsibility. However, if changing a reprehensible act leads to committing a greater wrongdoing, one must stop, because allowing the changing of a reprehensible act without moral precepts leads to the promulgation of chaos in society and harms the interests of religion and country.

It is established according to religious law that the enforcement of divine ordinances, whatever they may be, is the right of the ruler or his delegate. The fact that a group might appoint itself to implement divine ordinances and laws without the permission of the legal ruler is unprecedented and did not happen during the prophet's era, the orthodox caliphs' era, or that of their successors. Indeed it has been established in all these eras that those who enforce divine ordinances and change wrongdoings by their own hand are the people in charge alone.

We are ready, as representatives of God's call, to sit with anyone who is uncertain or has a conflicting view in order to clarify the truth to him, and to guide him to the straight path. We have great confidence in our nation's endeavor to accomplish what is right, eliminate what is wrong, and support good deeds and religious and moral values, because this will lead to happiness for the individual and the group.

### **Project Links Wages to Increased Production**

*45040153C Paris AL-MUSTAQBAL in Arabic  
31 Dec 88 p 28*

[Text] In the context of a comprehensive plan to improve the Egyptian administrative apparatus, a new proposal has been laid out concerning wages and government workers. The proposal, which makes new changes, aims at linking wages to increased production and at selecting leaders and defining positions with preferential salaries in order to attract and make use of talents. Dr 'Atif 'Ubayd, minister of cabinet affairs and minister of state for administrative development, announced that President Husni Mubarak's directives required that the new proposal extend to all producers and that wage increases be linked by definite standards and rules to increased rates of production and performance.

He said that the new changes allow for regular wage increases, reclassification of jobs, and payment of incentives only to reward outstanding production. They introduce a system of incentive awards and yearly bonuses to anyone who contributes to developing production, increasing resources, or improving service. They require a change in the system of measuring efficiency, to remedy presently existing negative aspects.

He added that one of the new proposals was to open the way for [government] workers at home or abroad to leave work voluntarily on a temporary or permanent basis, with the establishment of sufficient guarantees. Also, half-time work would be allowed according to the circumstances of the job.

### **Policy Committee Encourages Global Scientific, Economic Cooperation**

*45040132b Cairo AL-AHRAM AL-DUWALI in Arabic  
15 Dec 88 p 5*

[Article by Sabri Suwaylam]

[Text] At its meeting yesterday, which was chaired by Dr 'Atif Sidqi, the prime minister, the Supreme Policy Committee approved the establishment of the Egyptian Export Insurance Company, an Egyptian joint-stock company with 20 million pounds in capital. The committee approved the establishment of this company to develop national exports and to protect them from commercial and non-commercial hazards. The committee agreed to regard the Association of Radio and Television Broadcasting as a national authority regulating radio as well as television broadcasting stations. The committee agreed to provide the necessary financing and the liquid funds for the national project to raise veal, and it approved a number of agreements for economic, scientific, and technical cooperation with Japan, Yemen, and Iraq. These agreements were made for the purpose of encouraging investment projects with these countries.

Mr Safwat al-Sharif, minister of information, stated that Dr Yusri Mustafa, minister of the economy, had indicated that shares in the Export Insurance Company were registered. The shares could not be split, and they were owned by Egyptians. He said the company had issued bonds to guarantee exports. These bonds, which were worth 50 million pounds, had an annual interest rate of 5 percent. The Egyptian Bank for Export Development owns 55 percent of this company's shares; the National Investment Bank owns 16 percent; and the Misr, al-Sharq and National insurance companies own 10 percent of the company's stock.

The minister of information added that the proposed amendment regarding the Association of Radio and Television Broadcasting stipulates that the competent minister has the right to fill key positions in radio, television, and other sectors and that sector chiefs would be appointed by presidential decree. The association is to supervise materials which are aired by its radio and television facilities, and it is to act as censor for these materials. It is also to supervise and censor programs which are produced by companies owned by the association. The chairman of the Supreme Council for Youth and Athletics is to join the association's board of trustees. The committee approved an agreement for economic and technical cooperation between Egypt and Yemen, and it approved an agreement to establish a joint supreme committee between the two countries. The committee approved the agreement for a Japanese grant to implement a project that would improve drinking water and sanitary drainage in al-'Umraniyah. The committee approved a loan to finance part of a factory in Bani Suwayf, and it approved an agreement for scientific and technological cooperation between the Ministry of Scientific Research in Egypt and the Science Research Council in Iraq.

The committee decided to provide the necessary funding and the liquid funds for the national project to raise veal. It is estimated that funds required for this project would be approximately 187 million pounds. The committee approved the establishment of a fund to finance a project to encourage breeders in the private sector. This would enable the General Authority for Food Staples to meet its contractual obligations.

The minister of information added that the committee had agreed to systematize basic development relating to agricultural cooperative societies in order to reclaim land. It was decided that the costs would be borne by the societies which had been founded before Law No 143 for 1981 went into effect and to which land had been allocated before this law went into effect. These societies would reclaim the land and report the cost to the Ministry of Land Reclamation. !! The minister of agriculture would issue a decree dissolving societies that fail to carry out the basic development in 6 months. The land would then be returned to the state so that it could do the reclamation. Members of these societies who had cultivated the land allocated to them would receive title to this land.

**New Isna Barrage Second-Largest in Nation**  
45040153A Cairo AL-AKHBAR in Arabic 20 Dec 88 p 4

[Article by Karimah al-Saruji]

[Excerpts] Why build new barrages in Isna when there are the old Isna barrages that have rested on the Nile since 1908?

Engineer 'Isam Radi, minister of public works and water resources, answered this question. He said, "The old Isna barrages were constructed in 1908 and are located 167 km downstream from the Aswan dam. They were set up to improve basin irrigation in Aswan and Qina governorates and to feed the Asfun and al-Kilabiyah canals that water the basin land downstream from Isna."

"The old barrages were built of red sandstone and mortar. The stones were taken from the mountains of al-Silsilah. The barrages are composed of 120 openings, each 5 meters wide, each separated from the next by a 2-meter-thick cement barrier pier. Each 10 openings form a group separated from the next group by a 4-meter-thick pier. There is a 80-meter-long and 16-meter-wide navigation lock on the west side of the barrages." [passage omitted]

The expert engineer 'Abdallah 'Abdallah 'Ali, deputy minister of dams and major barrages, continued the conversation, saying, "Construction of the new Isna barrages began to be considered in 1984, when the ministry established a working group to plan for the new Isna barrages. It was decided that the new barrage would be built 1,200 meters north of the present barrages and with a width of 7,000 meters. Eng 'Isam al-Radi, minister of public works, approved the decision to begin construction at the beginning of 1989. The new barrages will take 50 months to build, after which the birth of the second giant on the Nile after the High Dam will be announced.

"The new barrages will enable the obtaining of better water balances for irrigation and navigation purposes. They will eliminate the excess water flows that the ministry is currently forced to use in order to maintain the permissible balance differential at the present barrages. In the future, they will combat erosion, the rate of which increased after the construction of the High Dam."

The deputy minister of dams and major barrages also said, "The new Isna barrages will be the largest barrages constructed in Egypt on the Nile and will contain an electricity plant to feed about 351 gigawatt hours a year into the country's public network. The electrical plant attached to the new barrages will make use of the balance differential at the new barrages to generate electricity from water power."

Eng 'Abdallah 'Abdallah 'Ali stated, "The barrier on the new barrages will be 7 meters, as opposed to 5.10 meters on the old dam. This will provide an opportunity for complete control of different levels at the dam. This control in the barrier gives us the opportunity not to affect electrical power generation in the barrages if water levels drop. This is the opposite of what happened with the High Dam, where the electricity generating rate was affected when the Nile flood was low."

Eng Kamal 'Abbas, general director of reservoir and barrage projects, continued the conversation: "The improvement in the construction of the new Isna barrages affects all its parts. In terms of design, they are bigger, more modern, sturdier, and more costly. They incorporate a very modern feature being used for the first time in Egypt—namely, the electricity from the planned power plant will be generated by cylinder turbine, with the generator and the turbine inside a cylinder.

"The cylinder turbine system differs from the turbine system in the High Dam and the Aswan Dam and provides greater efficiency in electricity generation and in operating even with low water levels."

Eng Kamal 'Abbas added, "The new Isna barrages will do away with some of the High Dam's side effects. Its construction on the bottom of the Nile will eliminate erosion of the bed. This will lead to extending the life of the new barrages that are scheduled to serve for generations and generations.

"The new Isna barrages will also involve the construction of a first-class road on top to link the two banks of the river and an overflow outlet to allow a maximum flow of 7,000 cubic meters/second and will be equipped with eleven 12-meter-wide openings with special gates.

"A first-class navigation lock will be built. The dimensions of its navigation chamber will be 116 by 17 meters, in keeping with the constant increase in the number and size of boats serving the purposes of river transportation and tourism. All this will serve to facilitate navigation and stimulate tourism."

Eng Kamal 'Abbas also stated, "Relative to our economic situation, the cost of constructing the new Isna barrages is very high. In order to reduce the cost, it has been decided to construct an aggregate dam on the right side of the river.

"On the left side, a hydroelectric plant will be built to generate 531 gigawatt hours a year. The plant will be equipped with 6 cylinder [turbine] units, each with a 13 megawatt capability, for a total capability of 78 megawatts. As is well-known, electricity generated by falling water is considered the cheapest kind of electricity."

AL-AKHBAR has learned that in a supplementary report about the advantages of the new Isna barrages the following was stated:

When the water level at the new high-barrier barrages is raised, this will realize a saving of irrigation water for the addition of new arable areas of land.

Eng Kamal 'Abbas also said, "Generating electricity from the Isna barrages plant will lead to a saving of oil energy."

Eng Ahmad Mazin, first deputy of the Ministry of Public Works and head of the irrigation department also spoke to us on this subject. He said, "Thinking about constructing new barrages on the Nile at Isna to replace the old ones took a long time. The barrages could have been implemented 5 years earlier, had it not been for good planning, so that the barrages would be built after the most modern model for electrical dams. The new Isna barrages represent the beginning of a development in this area. Thus, the cost of the project has reached 400 million pounds. The Ministry of Public Works has made a great effort to try to cooperate with friendly foreign organizations to fund the big project. The operation was opened to international bidding among specialized companies. The sealed tenders were opened on 22 December 1986. After study, analysis, and negotiations with the submitter of the lowest technically acceptable tender, the project was awarded on 28 June 1988 to the (Irdasab) group of companies, headed by the Italian firm Imbrigilio, for a sum of 400 million Egyptian pounds."

Eng Ahmad Mazin, head of the Irrigation Department, added: "The Italian component of the project amounts to 26.644 billion Italian lire in the form of a nonreturnable grant from the Italian Government. In addition, there is an Italian loan of \$81.5 million on easy terms of 1.5 percent interest and a \$9-million commercial loan from Italy.

"The Romanian Government is offering a \$9-million commercial loan for the project. From the Austrian Government there is the sum of 117.1 million Austrian schillings.

"Finally, the domestic Egyptian component in the project amounts to 87.5 million pounds."

#### **Commentary Reveals Fear as Housing Problem's Cause**

45040134A Cairo AL-JUMHURIYAH in Arabic  
29 Nov 88 p 5

[Commentary by al-Sayyid 'Abd al-Ra'uf under the "Sidenotes" rubric: "Fear in Our Life"]

[Text] We have a chronic housing problem by the admission of government and opposition alike. There are efforts to solve it on the part of the government and the public and private sectors for different reasons and

motives. At the same time, according to official statistics, we have about 1,800,000 apartments empty, locked, and unused. Assuming that the basic cost of an apartment is 10,000 [Egyptian] pounds, minimum, the total value of these apartments comes to 18 billion pounds, i.e., one-half the value of Egypt's debts, minimum.

Eighteen billion pounds (a large part of it in foreign currency) tied up in piles of concrete, wood, glass, electrical and plumbing equipment (much of it imported in hard foreign currency), without real benefit to society as a whole or even to its owners—at least at the present time!

Eighteen billion pounds! Had they been directed toward investment in industry, they would have produced several times that amount. Had they been made to circulate in housing projects, they would have solved the housing problem. If they had been directed toward agriculture, land reclamation, and irrigation projects, we might have stopped importing many foods and would have become exporters of them.

Eighteen billion pounds! Had we not spent them in this way, we would have saved ourselves the importing of tons of cement, reinforcing iron, wood, glass, etc. Land and apartment prices would not have risen in this fantastic, crazy way that has converted the savings of hundreds of thousands of residents at home and workers abroad from liquid cash that can be invested in productive projects into piles of construction materials abandoned to dust, insects, the weathering effects of heat and damp, etc.

This phenomenon or problem has been raised in passing. Books have been written about it. Much has been said about it. Then, as is our habit, we moved on as if nothing had happened, voicing inanities. We did not try to study the problem carefully and set it beside many contradictory phenomena in our lives—notably, the recurrent food ration crises, especially in certain commodities, despite the presence in houses of a supply of these commodities sufficient for months and possibly years. Another noteworthy phenomenon is how people are drawn toward any invitation to save or invest outside the legitimate, official, or government channels for savings and investment as one chooses.

I think that if we analyze each of these phenomena separately and put them into one context, we shall discover that they all go back to just two main causes—fear, and loss of confidence: fear of the future, and loss of confidence in the government.

Fear of the future—its origin can be traced to the divergent economic policies that Egypt has witnessed over the space of 30 years, either at the level of general national approach or at the level of policies and procedures for implementation. It can be traced to the nationalizations Egypt witnessed during the period of the sixties, the police procedures, and the Committee to

Liquidate Feudalism. All these procedures were accompanied by a great deal of harshness that portrayed private property as if it were a crime for which the owner had to be punished. The open-door policies of the seventies did not succeed in remedying the vestiges of these policies. Instead, they opened wide the doors to groups of pillagers and swindlers who invaded every aspect of life in Egypt. A long time needs to pass before new concepts of economic activity establish themselves in Egypt and begin to reach the broad base.

Lack of confidence in the government is something old and inherited, and the contradiction between word and deed increased it. We all remember the story about the socialist official who used to go to conferences riding a big car, wearing luxury clothes, and with rings glittering on his fingers. The point is that at various stages the government called on the people to practice austerity and endure lean years while waiting for years of plenty. But the people noticed with surprise and dismay that the government did not share in this austerity with them and that, furthermore, the lean years stretched on. There was a second and third round of them; they were given an opportunity to enter their houses, then an opportunity to reregister, and then an emergency opportunity.

President Husni Mubarak's many visits to places of production, scientific research, and services have clearly revealed that earnest efforts are being made in every direction. But these efforts will not bear fruit in a single day. We have to learn patience and persistence. Furthermore, as long as these projects are for the service of the people, they must not remain isolated from the people. This means that people must know the facts one by one. Even if the facts are difficult or painful, people will accept them readily as long as they trust the seriousness of those in charge in various areas, and as long as real efforts are being made to dispel the fear and in its place sow confidence in the future, and to uproot doubt and in its place plant trust. The people cannot live without a system and without a government to order their affairs and stand at their service; neither can the government achieve any success without real cooperation from all the people. This is the equation toward which the correct solution must be directed.

## ISRAEL

### Effects of Elections on Arab Community Discussed

44040126 Nazareth AL-SINNARAH in Arabic  
15 Nov 88 pp 4, 5

[Article by Mustafa Murad]

[Text] A symposium on the effects of elections on the Arab community was held yesterday, Wednesday, by the Arab Studies Institute in Giv'at Habibah and the newspaper AL-SINNARAH. It was attended by a number of representatives of political parties and a large crowd of party personalities, politicians, and interested persons.

The symposium consisted of two sessions. Participating in the first session were Knesset members Muhammad Mi'ari, Dedi Tzuqer, and Nawwaf Masallah. Other participants were Walid Sadiq and Ahmad Abu-'Asabah. Sarah (Ozatski) was the moderator. Participating in the second sessions were Professor Yosi Ginat, Researcher Yosi Amitay, and Saliba Khamis. AL-SINNARAH Editor Lutfi Mash'ur was the moderator.

Speaking before the opening of the symposium, Yoram Meron, director of Giv'at Habibah Institute, said that certain persons scheduled to participate in the seminar did not attend and declared a boycott. He said that Giv'at Habibah Institute is open to all but accepts no pressure from any side.

At the first session, Sarah (Ozatski) asked the participants to each give his views on the outcome of the recent elections in the Arab community. Were these elections a failure for the Left or not? Is the Arab vote influenced by decisions taken abroad or not? What are the future prospects, and is there any possibility of the leftist forces cooperating in the future?

Answering these questions, Walid Sadiq (MAPAM) [United Workers Party] said that the elections were a golden opportunity for the Arabs to be the deciding "balance factor" in the formation of a government and who would form it. But this opportunity was lost, he said.

Sadiq said: "For 40 years we have been hearing people calling on us not to vote for the Zionist parties, as if there is no difference between these parties. We did not expect the emergence of those who advocate population transfer and Kahane's backers who have become a reality."

"I believe," he added, "that there should be participation and cooperation between Arab nationalists and Jewish nationalists on a minimum program basis."

Sadiq said he supports cooperation between the HADASH [Democratic Front for Peace and Equality], Progressive List for Peace [PLP], MAPAM, and the al-Darawishah parties. What is immediately required is to form a front that will counter the right wing. But before anything else the parties should look upon each other as legitimate parties which have the right to exist.

As for Ahmad Abu-'Asabah (Arab Democratic Party) [ADP], he said: "The recent elections were a golden opportunity that will not be repeated. We would have been able to tip the balance and decide the question of who will form a government and, therefore, help solve the problem from which our people are suffering."

Abu 'Asabah added: "The Arabs in the country have two demands: The realization of equality in Israel, and the solving of the Palestine problem in a manner that would

secure the Palestinian people's rights. The idea of establishing an Arab party working for these two objectives stemmed from here. The Arabs in the country should represent themselves by themselves."

Abu 'Asabah continued: "The Arabs have been represented in the local authorities since the state was established, but nobody heard about them except after the regional committee for the heads of Arab local authorities was formed. Which goes to show the need for an Arab body to look after the Arabs' interests."

Abu 'Asabah considers the outcome of the elections to be a great loss for which two sides are to blame. The first is the leadership which was preoccupied with internal fighting and the second is the people who were concerned with olive-picking and did not realize the importance of elections.

Abu 'Asabah agrees with Sadiq on the immediate need for the establishment of a lobby for leftist parties.

Knesset Member Dedi Tzuqer said conflict in the elections in the Arab community centered on the votes that the Alignment [Labor] would lose. HADASH, RATZ [Citizens' Rights Movement], and the ADP competed in this regard.

Tzuqer said he regards the al-Darawishah Party that was established on a purely ethnic basis as a step backward. The majority of the Arabs—85 percent of them—vote for non-rightist parties, which means that one of the bastions of the Israeli Left in the struggle against the Right is the Arab vote sector. The Arab vote has proved to be the last barrier against the spread of the Right and its parties. The recent elections, he added, have shown that the Arabs have no sense of responsibility; it is as if what is happening in the country is taking place in one of the distant planets, as the rate of abstention from voting was 24 percent—which is the equivalent to 1.5 Knesset members (for the Left). There was also a strong conflict among the parties that depend on the Arab vote—the Progressive List (HADA') [as published]. Had these parties concentrated their campaigns against the others they would not have lost two seats and would even have won a third seat because agreement would have made the voters vote for them, which means that they would have determined the question of forming a government.

Tzuqer said that the al-Darawishah Party, just like the Jewish religious parties, was based on national religious background. With regard to voting for the RATZ movement, Tzuqer said that a large proportion of the votes RATZ obtained was not thanks to its campaigning on the election day but because of its firm stand and its work in support of the Arab citizen's rights during the past 4 years.

With regard to forming a leftist lobby, Tzuqer said he does not believe that this will happen, but rather that the presence of the Right in power and the emergence of those advocating population transfer would force the allied leftist parties to cooperate even more among themselves.

New Alignment Knesset Member Nawwaf Masalahah said the Alignment obtained 23 percent of the Arab vote in 1984 and 17 percent in the recent elections, whereas MAPAM obtained 4 percent (21 percent) [as published], which means that the Labor Party lost 2 percent of the Arab community vote. The result of the recent elections, Masalahah stressed, is a loss for everybody. He believes that all the leftist parties have lost. The Likud and the rightist MIFDAL [National Religious Party—NRP], he added, won enough votes from the Arab community for one seat.

With regard to the al-Darawishah Party, al-Masalahah regards the outcome of the election as a great success for it. He added, "I have always believed that there was no room for a third party alongside the PLP and HADASH, but the recent elections have proved that there is room for this party. However, the emergence of this party and its winning a seat and more votes was the cause for the PLP losing its second seat and HADASH losing its fifth seat. Masalahah said that during the election campaign the Labor Party concealed Rabin and his pictures. He also said that he agrees with Tzuqer that the leftist forces should cooperate among themselves in order to thwart the rightists.

Knesset Member Muhammad Mi'ari said that the regime in Israel gives democratic rights to every Jew but does not deal the same way with the Arabs. Every right the Arabs obtained came after a bitter struggle.

Mi'ari said that the PLP does not consist only of Arabs; it consists of two movements: an Arab movement and a Jewish movement. In the 1984 and 1988 elections it was compelled to go to the High Court of Justice in order to ensure its right to participate in the elections, which goes to show that the authorities still look at the Arabs as if they are a people with no rights.

With regard to the possibility of the Arabs forming a power that would swing the balance between the Left and the Right, Mi'ari said they cannot do so. Should indeed this happen, the Alignment will not dare to coalesce with the Progressive Movement and HADASH, because half of the Alignment Knesset members are no different from the Likud.

Mi'ari said that the Alignment was in power until 1977, but did it achieve equality or partial equality for the Arabs?

Discussing what factors influence the Arab vote, Mi'ari said that the authorities have taught the Arabs that elections are an opportunity to realize personal gains.

This has been the case during the past 40 years. There are non-Zionist parties operating within the Arab community that deal with the Arabs in the same way. He said he believes that 30 percent of the Arabs have voted on the basis of personal interests.

Answering the question "Who is the loser?", Mi'ari said, "Both the Arabs and the Jews have lost the recent elections because it was the idea of peace and the possibility of achieving it that have lost. Both the Arabs and the Jews have lost it."

As for the ADP, al-Darawishah agreed with Tzuqer that he does not approve of the establishment of a party on an ethnic basis.

The second session of the symposium consisted of analyzing the outcome of the elections. Saliba Khamis, Professor Yosi Ginat, and Researcher Yosi Amitay participated in it. AL-SINNARAH Editor Lutfi Mash'ur was the moderator.

Answering the question "What happened to the Arab voice?", Saliba Khamis said that the rate of voting was high despite the fact that the Arab society is a traditional society that has not known democratic and parliamentary traditions for a long time. If we add to that the fact that the Arab community has suffered at the hands of the Alignment which was in power for a long time, and yet during that time the rate of [Arab] voting was 76 percent, then this goes to show that the Arab is interested in the elections.

Professor Yosi Ginat said, "I believe that the Arab vote could have been able to decide who would be the head of the government. The Arab vote has decided that Shamir be the head of the government because the difference between the leftist and the rightist group is only three seats. Had all the Arabs voted while abstaining from voting for the rightist parties, they could have added those three seats to the leftist forces."

Researcher Yosi Amitay, commenting on Yosi Ginat's remarks, said that there are among the Arabs those who abstain from voting and those who vote for selfish interests, as Ginat said. But what has made them do so was the Alignment which was in power all the time. He said it was one of the leftist parties that created this feeling among the Arabs, because when the state was established it even refused to give them the right to vote.

Answering the question "whether these results were expected," Ginat said, "The results have been neither as the Arabs nor as the Jews wanted them to be. HADASH, expected an increase in the seats and Hashim Muhamid threw a party on the occasion of his entry to the Knesset, but it turned out that HADASH only won its four seats. As for the PLP, Mi'ari expected it to obtain three seats, but now we can see that it has lost its second seat."

Saliba Khamis said that the elections results were no different from those of the previous elections. The parties did not expect these results. The RAKAH Party expected to win seven seats, but it appears that many people have been angered by RAKAH's domination, which has prompted them to keep away from it. Also, its failure to change the order of the pioneers in the list, which goes to show that those people raise the slogan "We will leave the Knesset only on a stretcher," has caused many people to keep away from this party.

As for the PLP, it has failed to prove itself from an organizational standpoint. Also disputes within it have affected the results it obtained.

Answering the question as to "What influences Arab voting," Ginat expressed the belief that the Palestine problem is not the primary influential factor, but rather it is the domestic problems of the Israeli Arabs. The Palestine problem is important to them, but it comes second in the order of things. As for those who are influenced by their Palestinian affiliation, such as the Sons of the Homeland, the Renaissance, etc., they have decided to boycott the elections.

Commenting on this question, Amitay said, "There are still many influential factors in the Arab community. These are family affiliation and affiliations which play their role during elections. Voting on the basis of ideological affiliation is increasing in the Arab community, but it has not yet reached the desired level.

Replying to a question regarding the outcome of the elections and their effect on and relation to the outcome of the coming local elections, Amitay said he believes that the local elections will bring new results because voting will be different, for it is an internal and individual voting.

Saliba Khamis expressed the fear that local elections will deepen the rift because of competition for positions, unless the leadership and the leaders pay attention to the task they are now shouldering, namely to forge an alliance among all concerned in view of this serious situation. The local authorities elections will be the real and tough battle inside the Arab community, he added.

Khamis also said that a semifascist authority is now in power and, therefore, all the allied forces should work together and the Arab leadership must cooperate in order to stand in the face of the expected dangers.

Several other important issues concerning the subject of discussion were also raised.

**SHAS Activist Ya'ir Levy Profiled**  
44230029 Tel Aviv MA'ARIV (Weekend Supplement)  
in Hebrew 11 Nov 88 pp 7-8, 32

[Article by 'Amos Levav]

[Text] "The future is SHAS," [Sephardi Torah Guardians] says 'Ajaj Abu-Rukn, SHAS activist of the Druze village 'Usafiyah and then, like everyone, hugs Ya'ir



Levi. "A thousand Druze voted for SHAS," chortles Levi, formerly a fisherman from Tiberias, formerly a camp sergeant, formerly the manager of several quarries and now the man who is deciding for you who will govern you.

"What does this mean to the Druze and to the orthodox religious party?" 'Ajaj ponders the question. "I am also devout (laughter and hand clapping among the orthodox who surround him and Rabbi Ya'ir). Why did the Druze vote for SHAS? Because the party and we have three things in common: 1) Guarding the modesty of the woman; 2) Belief in one God; and 3) Strengthening our roots in the ground and preserving our homeland."

In the festive and zany atmosphere that prevails in the headquarters hall of SHAS in Bene Beraq, even Abu-Rukn's announcement that "There will be a Druze on the SHAS list in the next Knesset elections" is not taken with surprise. In the atmosphere of victory and euphoria, no one pays any attention to 'Ajaj's relative, Kanaj Abu Rukn, muttering all the time the phrase that opens every door there: "With the Lord's help, with the Lord's help." He speaks and then quickly adds, "With the Lord's help, now everything is open to us. We have really brought our people out of disaster of the big parties. The future is SHAS."

Lawyer David Glas, who wears a skullcap and is a member of the Central Committee of the Labor Party, made similar remarks in the pages of this newspaper on 11 December 1987. "In the next elections, SHAS will win seven seats," he promised when he saw the activity of the "El Hama'ayan" [To the Spring] movement of SHAS throughout the country. Because of his many duties, Ya'ir Levy does not give interviews, just shoots a kiss among the hugs in the packed hall of SHAS' headquarters because they have won, in fact, eight seats, for they supported Degel Hatora, their Ashkenazi splinter group. In the glow of happiness and the intoxication of victory, when an old timer in black mixes with a second in a wave of kisses and one black coat is glued to another in an excited embrace, one need only cock an ear to garner journalistic scoops. Thus, for example, your ear takes in that SHAS instructed some of its seminaries to vote for Degel Hatora according to an agreement between the two parties.

Ya'ir Levi, who everyone is stubbornly calling "Rabbi Levi," even though throughout his life, under the rubric "enlightenment," he has written only "Tora Secondary Education," is pleased with the tremendous victory of his movement, and shouts into the hall, "Now our next goal is the municipal elections," and in the thunder of applause lays down this promise: "Tedi Kolek, get ready. Next February, all you will have left is the title 'citizen of Jerusalem.' SHAS will take control of the city."

One hand grasping a beeper and the other a communications instrument while his ear is pressed to a telephone receiver, Ya'ir Levi, still not 36 years old, continues to

issue orders. An iron discipline emerges through the confusion. "Send someone to the victory celebration at 'Porat Yosef' in the old city," he yells into the air and does not look to see if his order has been received. He has no doubt that someone has taken note of the order, and it will be carried out.

A long train of the devout, amazingly alike in their dress, appearance, and manners, winds after Ya'ir Levy wherever he goes. When the door to his room opens just a crack, an immense torrent of activists immediately bursts in, and the pageant of kisses and embraces begins again. "Ah, the Tiqva neighborhood," Ya'ir Levy manages to say between the kisses. "You were wonderful, wonderful." The worker from Tiqva, a small-built man, submits himself to a bear hug from the large frame of Ya'ir Levi, and his face is radiant.

"That is a renovations contractor," someone explains. "He has repented, truly repented. Any questions? The people are thirsty for the Tora. The people are suffering a great thirst. The SHAS movement has succeeded in giving the public the genuine article, Tora lessons. The people sympathize with us. Look at this renovations contractor. He did not know a thing until a few months ago. He brought us thousands of votes in the Tiqva neighborhood. Even secularists there voted for us. Really. They understood that this is the only movement that respects the public. We are not fanatics. We do not do abnormal things. In the next elections, we will have 12 seats. The true test of strength will be the municipal elections in another 6 months."

Ya'ir Levy will be head of the organization branch then too, unless what? Surely, they will not switch locomotives in the middle of the race or pilots in the middle of the flight. And the "El Hama'ayan" movement that Ya'ir Levy continues to direct will be the impetus, as it was before the Knesset elections.

The growth of the organization, that started just 2 years ago, is stunning. When we brought it to light on these pages a year ago, it had 290 branches around the country. Today, it has 350 branches. A year ago, SHAS had 30 Tora study schools; today, more than 100. In Bea'er Sheva', "El Hama'ayin" has 6 branches, and for the needs of the elections, they opened up 22 more. Hundreds of SHAS chapters around the country employed thousands of volunteers who lent their cars as well. On election day, a call for help went out from Ashdod. The cry "We need volunteers" burst forth from the communications equipment at SHAS headquarters. "Not more than an hour passed before a bus with 50 volunteers arrived in Ashdod. The little room in Bene Beraq from which "El Hama'ayin" worked a year ago was abandoned recently and the top brass of SHAS and "El Hama'ayin" has moved to a new office building where it controls an entire floor, with antennae on the roof, telephones in their Volvos, communications equipment, and a computer network ("our own people wrote the program").

One year ago when we exposed this organization on these pages, the other parties became concerned and Ya'ir Tzaban of MAPAM [United Workers Party] and (don't mention him in the same breath) Eli Landau of Likud demanded an investigation. Arye Dra'i appeared before the Knesset oversight committee and even the comptroller was called to testify. ROOTS, SHAS official journal, wrote at that time of the director of the Ministry of the Interior, Arye Dra'i, "The Ministry of the Interior, under the direction of Arye Dra'i, is today an instrument, directly or indirectly, for building a community of Tora in the country."

If we remember that Yitzhaq Shamir filled in last year as interior minister, we will understand that Arye Dra'i on his own, in fact, directed the nation's internal affairs and that the title bestowed upon him, "Director of the Nation," fit him like a glove. "During the days of Arye Dra'i as director of the Ministry of the Interior, quiet prevailed in the municipalities," they will boast in SHAS, forgetting the strikes by the Arab mayors and local councils. Despite the arrogant assertion of the SHAS journal that the Ministry of the Interior is an instrument for building the community of Tora, SHAS members complain that their elections budget allocation, compared to that of the large parties, was meager. With this "meager budget," Ya'ir Levy operated two helicopters during the last 2 weeks of the election campaign. One was at the service of Ya'ir Levy as head of the organization branch and the other was the helicopter of the great vote getter, Rabbi 'Ovadyah Yosef.

During the last 3 months, Ya'ir Levy would get to bed at 0300 and start the next day at 0600. 'Ovadyah Yosef appeared at five election rallies a day. In Ashdod, 1,500 people once waited for him until 0100 because he had been held up at other election meetings. In Ofaqim, thousands rushed his helicopter and tried to hang onto its body, preventing it from landing for a full hour. Today, during the election "post-mortem" (in our election system, it is still permissible to engage in analysis after death), the activists will say that the appearance of the rabbi from heaven left the crowds with an unforgettable impression. "They are all dreaming," they say of the other parties. "While they dream, we set up new chapters. We have not quit yet. Everything is set and ready for taking the next objective, the local governments."

Through the crack in the doorway, someone manages to bring several servings of food into Ya'ir Levi's office. He bolts down the food while talking on the phone and examining the messages recorded on the "beeper." Between gulps, he says, "the food today is not good." The young man who brought the food turns pale behind his beard. "I really tried, Rabbi Ya'ir. I tried so hard," he mumbles, and Ya'ir Levy pardons him with a few words. "It's OK, tomorrow you will try harder."

"He keeps a tight grip on us," someone explains. "He is very strict. do you know what it means to maintain control over thousands of people working as volunteers?"

They can really pay no attention to you. And the logistics! Thousands of vehicles, computers, telephones, communications equipment! The mind can't grasp it."

The man pulls out a computer printout from somewhere and brings it to Ya'ir Levi. "In Sederot, we received 727 votes," he announces for the "nth" time and the crowd applauds for the "nth" time. "We tripled our strength everywhere. Here, in Tiberias, my birthplace, 2,000 votes. MIFDAL [National Religious Party], the party of Yiq'al Bibi, the city's mayor, got only 1,000 votes in Tiberias. Ashdod: 4,600. Petah Tiqwa: 3,400. Netanya: 3,157. Ashqelon: 2,500. Dimona: 1,740! Get this, 1,740 votes in dried up Dimona. Ramalla: 1,700! Ramla, who would have believed it?"

In Or Yehuda, the city becoming the most pious in the country, SHAS received 1,336 votes. In the previous elections just 4 years ago, it got 200 votes there. The principle was simple: to go to the poorer neighborhoods, to harp on forgotten tradition cynically integrated with communal feelings of discrimination and a longing for a spiritual leader. That is how SHAS appeared 4 years ago with four seats and that is how it doubled its strength in the last election. When they say "We can do better," you better believe them. "We gave Degel Hatorah 12,000 votes," they reveal. "We had an agreement by which the Sephardi yeshivas would vote for them. We were afraid that they would not pass the percentage requirement, so we supported them. They took one seat from us. Really, it was our pleasure. We gave it to them."

Shim'on Ben-Shalma, who left SHAS, also took away 5,000 votes from it. The irony of fate. At the precise moment when his name was mentioned, another heap of congratulatory telegrams was brought into the office. One of them was from Shim'on Ben-Shalma. Ya'ir Levy reads it out loud: "I bless you with all my heart," and the packed audience reacts, "Idiot, an idiot, he left us. He committed political suicide."

HABAD also took votes from SHAS. "With all their oaths," they explain with a giggle in their voices. That did not prevent them for putting a band of rabbis on the screen in a final service broadcast, in which they mumbled obscure remarks and annulled the vows of the rabbis of HABAD. "We were crazy to be in movements that did not like us," explains Ya'ir Levy to his admirers. "Nonetheless, we were not involved in any violence. Our movement was the only one that did not attack any other. Oaths and vows were not valid for us. But what was valid came only after we saw the powerful effects of them around the country, particularly that of Agudat Yisra'el. Then we turned to our Council of Tora Sages and with them prepared a special broadcast for television, the last broadcast, in which they said that the oaths were not valid and had no force in religious law. I am against this business of oaths. Each person needs to

choose with full knowledge. To coerce people to act under curses is not acceptable. Therefore, our Council of Sages annulled the vows. That was the idea of the SHAS operating team."

This team meets once each week: Minister Yitzhaq Peretz, Rabbi Rafa'el Pinhasi (director of the finance division), Ya'ir Levy (director of the organization branch), and Professor Moshe Peretz, Minister Peretz's brother (director of the publicity branch). In SHAS, they place considerable emphasis upon Moshe Peretz' professorship. "He is a professor in the field of electronics," they say with pride. "We don't just have 'blockheads' in SHAS. We have bank managers, engineers, and lawyers. But it is true that most of those who vote for us are simple folk."

As if brought forth as proof, activists from Petah Tiqwa and Zefat stumble into the room. Ya'ir embraces them, and after exchanging the customary motto, "With the Lord's help, with the Lord's help, you were wonderful," he points to "that one from Petah Tiqwa, an engineer with an advanced degree, and that one from Zefat, an ordnance officer."

"In Zefat, every 10th man is for SHAS," boasts the ordnance officer. "Until a few years ago, the mayor never had anything to do with us. This morning, we met and he invited me to his office. You ask me about Ya'ir Levi? He is the engine that drives SHAS. In times of crisis, he raised up all of us. We were discouraged when Degel Hatorah and HABAD entered the picture, and Ya'ir raised our morale with his enthusiasm and his unflagging energy."

"There was a mountain, and then came Ya'ir, this bulldozer, and moved the boulders," the engineer (with the advanced degree) from Petah Tiqwa adds his comparison. And the ordnance officer volunteers a military image. "He is a platoon leader acting as the unit commander. He cuts through everything, a very practical man, very organized, the only one who worked quickly and gave answers quickly. He is a man of authority without a shadow of a doubt. Also, Rabbi 'Ovadya Yosef's helicopter appearances gave us 70 percent of the votes."

Ya'ir Levy built "El Hama'ayin," SHAS driving power in the elections, from start to finish. He saw the untapped potential in the areas in which "El Hama'ayin" established itself. The local authorities were shocked to discover suddenly that their kindergartens had emptied in the course of 1 school year. The short answer, they found, was that an unknown movement called "El Hama'ayin" was offering a full day of studies for pennies. The streets were full of children wearing skullcaps. The mothers came to study Tora in the afternoon and the evening. In the past year, "El Hama'ayin" and SHAS network of Tora academies drew 60,000 men, women, and children. SHAS came to the parents through the children. Mayors and the heads of the local governments

were the first to see the handwriting on the wall. The shriveled coffers of the local councils suddenly began to allocate money to "El Hama'ayin." When the matter reached the headlines, the leaders of the movement contended that, just as money was distributed to "Young Macabbi" and to "the Worker," there was no reason to deny it to "El Hama'ayin." Lawyer Glas even threatened to take the issue to the Supreme Court on the grounds of discrimination.

It was on the basis of discrimination that the movement thrived. The election slogan, "Restore the glory," was not born today. Yitzhaq Bukhovza, a lawyer and mayor of the increasingly orthodox city Or Yehuda, once characterized the phenomenon taking place before his eyes: "Fundamentally, the people of Or Yehuda are faithful to religious tradition. When they came to this country, they found a new model of culture. 'This is your new culture,' they were told. Now a new movement of return to religion has arisen. It was simply an interruption of a generation. The people of my city are not repentant sinners. They are just going back to their true source."

Today, Ya'ir Levy says that, without "El Hama'ayin," he does not know if SHAS election program would have arisen. "El Hama'ayin" has provided a solid foundation of hundreds of branches in all parts of the country and thousands of students who have brought along their parents; and everything is selflessly, passionately offered for "the glory of God."

As before, those returning to the orthodoxy of SHAS are trying hard today to put at ease the astonished secular majority. "Look right and left on the political map," Ya'ir Levy will say to bewildered secular Jews. "We are the most moderate of all the religious parties. And is any other more Zionist than we? Three times a day, we pray, 'and may our eyes see Your return to Zion in mercy.' True, the others make the same prayer, but our members serve in the Army and contribute to the country. The secularists have nothing to fear from us. We do not represent a threat to the State. We are of use to the State. How? A Jewish state without the spirit cannot exist. We instill the spirit and that is what is important."

And if the secular Jews do not want to observe the religious commandments?

"You will do what you want."

I will have television on Saturday?

"A Jewish state must keep the Sabbath."

So I will not have television on Saturday?

"Everything connected to it must be preserved. Our guiding principle is to maintain the status quo. We do not want to change the status quo."

Ya'ir Levy does not give interviews in these troubled times. He is very busy directing the coalition negotiations, and he also is aware that every superfluous word can cause him difficulties in the party. Despite his popularity, an opposition to him has arisen. He promises to anyone prepared to listen that "SHAS in government will maintain the State in all spheres. One sphere is spirituality." He also offers as proof SHAS members who already have held government positions and enjoyed success. He is not willing to say more than this. "I do not want to get into matters between the secular and religious publics," he impatiently tells his listeners. "If God wills it, I will be happy to deal with that when I am sitting in the Knesset."

A heavy-set man presents himself as "Eliyahu Suissa, a personal friend of Rabbi Ya'ir"; he at least is willing to deal with that subject, but limits himself to a parable. He says that Ben-Gurion once went to a seer and asked, "How will religious and secular Jews be able to live together in this country?" Instead of answering, the seer asked Ben-Gurion, "Two boats float on a river, one loaded and one empty. They come to a narrow passage. Which of the two will pass through first?"

Ben-Gurion rose up. "Do we, the secularists, who are engaged in settling the country, seem in your eyes like an empty boat?"

Said the seer to him: "Settling the country is only one commandment. We, the religious, busy ourselves fulfilling all of them."

Eliyahu Suissa, "Rabbi Suissa" in the words of those banging on the door, says that aside from the computers, the telephones, the communications equipment, and the helicopters, SHAS worked door to door. "Personal contact, personal contact," he stresses, is the principle. "In most of the settlements, our volunteers went from house to house, in our strongholds, too, of course. In Haifa, which certainly was not for us, they went to Carmel. There were also very effective speeches given by Rabbi Yosef and Rabbi Peretz. They were helped by a battery of highly regarded rabbis, such as Rabbi Hayim Finto from Ashdod, the descendant of a family of holy men, whose words the North African public trembles with excitement to hear. There was also the great man of this generation for those returning to religion, Rabbi Re'uven Albaz, and Rabbi Me'ir Mazoz, who is of Tunisian origin and a wonderful speaker, and Rabbi Yosef 'Ezran, who is now a member of the Knesset, who did magnificent field work in Netanya within the French speaking community."

Wonderful speakers were also discovered, so they say at the headquarters in Bene Beraq, among the young scholars. For example, Rabbi David Yosef, who coincidentally is also the son of Rabbi 'Ovadya Yosef; his brother, Rabbi Yitzhaq Yosef; and also the brother of Arye Dra'i, Rabbi Yehuda Dra'i. Genius, it seems, stays in the family. Thousands came to every public meeting of

SHAS. Stadiums, filled with huge crowds, waited patiently until the rabbinic helicopter suddenly burst into view from somewhere and brought the SHAS gospel from the heavens.

"We prepared for these elections for 2 years," says Ya'ir Levy on the telephone. "In fact, since we started 'El Hama'ayin.' When I then saw the enthusiasm with which we were accepted, I understood that 'El Hama'ayin, would be our driving force in the elections. You, as a secular Jew," he continues and says to the anonymous caller, "must support the SHAS movement. We are unique. We are Sephardi Jews who have come to complete the return to the roots. We see to it that a boy will not act impudently towards his father, that a grandson will kiss the hands of his grandfather, that the Sabbath table will be set and prepared. We are restoring things to their former glory."

Someone draws out proof from the SHAS archives that points to its attributes of statecraft. "Minister Rabbi Peretz decisively for withdrawal of the IDF from Lebanon and he voted to ground the Lavi warplane; you cannot imagine the pressures we had to withstand. We continue to vote in a rational and individual way. We will take on every problem. Our Council of Torah Sages is the very best. SHAS members have already proved in the past, and will prove in the future, that they are statesmen. No, we do not fear the problems of government administration. The fact is that we have met problems in the past. Local government was in a ferment during the previous administration and was completely calm by contrast during our administration of the Ministry of the Interior."

But of what interest are affairs of commerce, the military, and economics to the Council of Torah Sages? What do they know of currency devaluations, exchange rates, and war? Ya'ir Levy fields the question between the telephone and the communications equipment, raising his eyes and speaking with a touch of annoyance, but also politely, as befits a senior member of SHAS. "Our sages are expert in all subjects. They need only to study the professional materials and they become expert in everything." The walls of SHAS headquarters are still covered with their campaign announcements. Above them are pictures of the rabbis—'Ovadya Yosef, Bean-Ish Hay, Baba Sali, Rabbi Toledano, Rabbi Sar Shalom, Rabbi 'Ezra 'Atiya. As he did 1 year earlier, Ya'ir Levi, master sergeant, fisherman, quarry manager, the rabbi who will determine for all of us who will govern us, says, "From them we will draw strength, they are the source of authority. The centrality. It is in their light that we walk. They are the righteous ones."

[Box, p 32]

#### Ya'ir Levi: A High Hand, A Polite Manner

Ya'ir Levi, 36 years old, a native of Tiberias, one who has returned to religion, or someone "growing more religious," as he characterizes it. He was a master sergeant, or a "camp commander," in his words. He was

wounded during the Yom Kippur war and today volunteers for reserve duty. After his activity in "El Hama'ayin" was covered in the weekend section of the newspaper a year ago, the Army refused to call him up for reserve duty, and "intervention from high up" was required to change the outrageous decision.

When he was discharged, he worked as administration manager of the Plaza Hotel in Tiberias. After that, he returned to the Army for a half year ("as a half volunteer") and then worked as a manager of the 'Emeq Yarden quarries.

His marriage brought the about-face in his life when he followed his religious wife to Bene Beraq. He became orthodox, studied at a yeshiva for some years and was admitted to the rabbinate, something that, in his words, was a "natural thing." For some time, he was in charge of a seminary for Eastern Jews in Bene Beraq and then a local election list was raised in the city under the name HAI. Ya'ir Levy was placed in the fourth spot on the list. When SHAS was formed, Ya'ir Levy was made deputy to secretary-general Arye Dra'i. Because of the work load and the potential of "El Hama'ayin," which he founded, Ya'ir Levy resigned from SHAS' Secretariat a year ago and turned over his position to Rabbi Yehezqi'el Ashayk.

Ya'ir Levy likes to emphasize that he works with the best of manners. Indeed, in all politeness, he rules with a high hand. Spending 2 hours at the headquarters hall in Bene Beraq leaves you amazed. How does he, with his fine manners, manage to instill such iron discipline within so many of his people?

## JORDAN

### Agreement To Balance Trade With USSR Reported

44040183 Amman AL-DUSTUR in Arabic  
14 Dec 88 p 2

[Text] Amman—PETRA—Jordan and the Soviet Union have agreed to conclude reciprocal deals in order to achieve a trade balance and increase the volume of commercial exchange between the two countries.

The two parties also agreed to establish an exhibition of Jordanian products and goods in the Soviet Union at which the Soviet public would be able to directly purchase Jordanian products valued—in principle, as per the agreement—at \$5-10 million. Agreement on the final value will take place during meetings of the Joint Jordanian-Soviet Committee for Cooperation in Moscow during the first quarter of 1989.

This was explained by Muhammad al-Saqaf, the Secretary General of the Ministry of Industry and Commerce, upon his return to Amman yesterday morning from

Moscow after a week-long visit to the Soviet Union, during which discussions were held with officials in preparation for the meetings of the joint committee.

Al-Saqaf stated that the discussions, which took place in an atmosphere of complete mutual understanding and a firm desire to strengthen economic relations between the two countries, dealt with increasing the volume of commercial exchange between Jordan and the Soviet Union, and the export of Jordanian goods to the Soviet Union. To date, Jordan has not exported any products to the USSR.

Al-Saqaf added that one of the republics of the Soviet Union has expressed a need for 40 Jordanian products. The most prominent of these products include toothpaste, toilet paper, cosmetics, woolen cloth, cotton yarn, warp-knitted cloth [tricot], socks, gas ovens, nylon sacks, refrigerators, washing machines, household utensils, wooden furniture, nails, wooden doors, metal pipes, leather and athletic shoes, eyeglass frames, suitcases, plastic toys, cosmetic creams, yeast, confections, insecticides, school notebooks, paper for calculating machines, fountain pens, ball-point pens, cleaning materials and electrical wires.

He indicated that the Jordanian side explained to Soviet officials that the goods which Jordan desires to import from the Soviet Union according to world prices include iron ore, wood, paper, chemical industrial material, spare parts for cars, equipment produced in the Soviet Union, household utensils, and 2-3-mm thick glass.

He stated that the Soviet side agreed to participate in a triphosphate fertilizer compound production program with the Jordanian Phosphate Company. Under the agreement, the Soviet Union will import 50 percent of what is produced under the program and market the rest in other states. Al-Saqaf indicated that a specialized technical committee has been formed to carry out an economic benefit analysis of this program.

The Soviet side also agreed to study a wood-processing factory program; under this agreement, the Soviet Union would supply the factory with raw materials and participate in it once its economic benefit has been ascertained.

He stated that the Jordanian side proposed the idea of sending Soviet tourist groups to Jordan to take advantage of the reserve capacity of Jordanian hotels. The Soviet side welcomed this idea, and it was agreed that this subject be included on the working agenda of the joint committee, and that it be studied by the Jordanian Ministry of Tourism and pertinent agencies in the Soviet Union.

### Transport Agreements With Iraq, Others, Under Revision

44000249a Amman JORDAN TIMES in English  
4 Dec 88 p 3

[Text] Amman (Petra)—The Ministry of Transport and Telecommunications is currently conducting a study on the amendment of Jordan's agreements with other countries in land, air and maritime transport so as to conform to Jordanian regulations and rules and the government's recent financial and economic decisions, Minister of Transport and Telecommunications Khalid al-Hajj Hasan announced Sunday.

The Ministry of Transport and Telecommunications is therefore revising transport agreements and planning new versions for any future cooperation with other countries in this sector, the minister noted.

Referring to Jordan's transport relations with Iraq, the minister said cooperation in this respect was satisfactory and is in line with the recommendations of the joint committee resolutions issued in Amman late last year.

Both Iraq and Jordan are keen on doing all they can to support coordination in maritime and land transport fields.

Under the agreement, the Jordanian carrier have been exempted from paying to Iraq extra fees on additional operations carried out for Iraqi businesses and the fees for testing animal products. Both countries agreed on dealing with commodities "lost in transit" while being transported in containers from al-'Aqabah Port to destinations in Iraq, al-Hajj Hasan noted.

He also announced that the Iraqi side has now paid up all its dues to the amount of JD 3.5 million to the United Land Transport Company which transports Iraqi goods.

"Concerned Jordanian authorities are now examining the prospect of amending legislation and laws to make the local shipping and clearing agents acting for maritime carriers liable to risk and responsibility on equal basis with that of the shipowners and carriers," the minister said.

He said this is being examined in response to an Iraqi request.

Al-Hajj Hasan said Jordan has granted Iraq a discount of 20 percent on fees for its imported goods being stored at the port, and 100 percent on transit services. In addition to a 20 to 55 percent discount of fees imposed on refrigerated agricultural products stored in containers at the port of al-'Aqabah.

The minister made his statement as the board of directors of Iraq-Jordan Land Transport Company (IJLTC) opened a regular meeting in Amman to discuss matters of concern to the company.

The company's Director General Jamil Ibrahim said that the board discussed an estimated budget for 1989 when the company is expected to have JD 17.4 million in revenues of which JD 15.6 million will be used in general expenditure.

The board reviewed the financial report on the company's operations over the first 10 month of 1988, which revealed that company vehicles transported a total of 1.05 million tonnes of Iraqi goods between Baghdad and al-'Aqabah, in addition to 29,000 tonnes of phosphate and 50,000 tonnes of Iraqi products going abroad via al-'Aqabah, Ibrahim said.

### Amendments to Law on Election Procedures Reviewed

44040073a Amman AL-RA'Y 27 Oct 88 p 19

[Article by Muhammad 'Abd-al-Latif al-Subayhi]

[Text] The decree severing the legal and administrative connection with the West Bank has imposed a new legal state of affairs, and this has required a review of Law 22 for 1986 on Election to the Chamber of Deputies. His highness the minister of the interior has in fact formed a committee to which he has assigned the task of restudying this law.

Considering that loopholes and defects in a law, any law, are discovered through practical application, the law on elections has in practice revealed tremendous loopholes, defects, and a lack of clarity which have thrown the activity of courts into confusion and subjected the administrative authorities to a series of wrongful applications of the law. The confusion to which lawyers and judges fell prey in September 1987 when the objections of people protesting the lists of voters were presented to the courts continued to be obvious, since jurists formed various schools in analyzing legal provisions whose interpretation had not yet been settled on. What was striking was the large number of objections accumulated in the court of first instance, which remedied these objections rapidly through an enlightened legal conception, eliminating most of the decrees of the committee reviewing the schedules of voters in al-Balqa' Governorate when it had become clear to it that the committee had misunderstood and poorly applied the law.

Nonetheless, many articles of the law continued to need explanation or change. Perhaps it would be praiseworthy for the chairman or the judges of the court of first instance to take part in the committee to study the law, in view of the great magnitude of the objections which the court of first instance had reviewed and the discussions and litigations presented to it at that time.

Whatever the situation might be, I hope that I will be able to express some observations which I came upon in the course of my study of the law for the purpose of presenting cases before the judiciary last year.

### Regarding Deprivation of the Right To Vote

The law, in Paragraph B of Article 3, has spelled out the instances where the exercise of the right to vote is prohibited. It has deprived those who have been sentenced to prison for a period in excess of a year for a nonpolitical crime of exercising the right to vote. The law did not determine whether this was a crime detrimental to honor and trust or a crime of conflict which might in an outburst of anger cause the creation of a permanent disability, punishment for which might be more than a year, or the crime of an accident resulting in death. The purpose behind this is that such unintentional crimes must not prohibit the citizen from exercising a legal democratic act. It would have been laudable had it imposed the prohibition on persons against whom a categoric sentence had been issued regarding a crime or misdemeanor detrimental to honor or trust, whatever the period of the punishment might have been.

### Regarding Regulation of Lists of Voters

The law regulates the system for preparing lists of voters, in its third chapter. It is apparent from a study of this chapter that regulation of lists of voters passes through two stages:

First, the preparation of the lists by the preparation committees appointed by the administrative governor. These committees performed this job just once, when the law was put into effect for the first time. Then there no longer was need for these committees, since they were not assigned any other tasks, as the review committee has subsequently assumed the task of culling the lists and submitting them every year; therefore there no longer was a justification to retain the provisions related to the voters' lists preparation committees. However, the task of culling the lists annually was supposed to be part of these committees' tasks, and the work of the review committee was to be restricted to the receipt and review of objections to the lists; otherwise, what is the justification in forming voters' list preparation committees, if they would engage in absolutely no job after their initial task, after the law has become effective?

As to the second stage of the regulation of lists, the review committee does this. The committee receives the civil status department lists of people who died and reached age 19 during the year and the courts' data on persons sentenced to prison for periods of more than a year, in order to carry out the addition and cancellation process in the light of this, during the period from 1 to 15 August every year. After that, the committee must then submit the lists to the public as of the morning of 16 August for a period of a week in a prominent public place to be determined by the administrative governor and give notice of them in the local newspapers. Article 13 then appeared; this stipulated that "Everyone whose name was wrongfully not cited in the lists stipulated in Article 12 of this law, or in the data on whose registration

in these lists a mistake has occurred, may present an objection on them to the review committee within 10 days of the date of their presentation," and so forth.

As to Article 14, that stipulates that "The review committee must issue its decisions regarding the objections presented to it under Article 13 within 3 days of the date of the termination of the complaint period, and give notice of its decisions to the persons making the protests in the event they are issued. They may be contested before the court of first instance in the electoral district within 3 days of notification of them," and so forth.

If we go back to the stipulations regulating the activity of the review committee, we will find the following contradiction: In Article 9, Paragraph D, "the review committee examines the objections submitted to it within 3 days of the submission of the objection," and so forth, while we observe from the text of Article 14 that the committee will review the objections within 3 days of the date of the termination of the objection period—not the date of submission of the objection. The contradiction is clear, and this is what emerged in practice last year when the review committee of the Governorate of al-Balqa' reviewed a large number of objections within 3 days of the date of the termination of the objection period, while the court of first instance decreed that the committee had to review each objection within 3 days of the date of the submission of the objection to it, according to Paragraph D of Article 9. Therefore the court considered the committee's decisions void, because they were made after the legal period granted for them had elapsed and the decisions had been issued by an entity which was not competent and fit to perform cancellations.

This is on the one hand. On the other, contestation of the review committee's decisions before the court of first instance is within 3 days of the date of notification of them, according to the stipulations of Article 14. That contradicts the provision of paragraph D of Article 9, which has stipulated that the committee's decisions "may be reviewed before the court of first instance of the district within 5 days of the date of notification." This is a contradiction that prompts a number of observations.

First, the legislators at one time use the word "contestation" and at another time the word "review," without any justification for the distinction.

Second, the contestation period in Article 9, (5 days) and Article 14 (3 days) is not uniform.

Third, the obscurity of the notion of "notification." If we want to apply general legal rules regarding the principles of notification, the committee must send word to every person submitting an objection on the result of his objection, which requires time and effort, and send the word with a competent employee, and the notification must be in accordance with the principles cited in the law on principles of civil trials, while the actual situation that has occurred is that the committees have been



content to declare their decisions on the bulletin board in the administrative governor's headquarters, which are closed after official working hours. Is this considered proper notification? Therefore, the situation in any future amendment of the law will require specification of a clear means of notification and require that the amendment state whether or not the day on which the notification occurs is to be calculated as part of the contestation period.

The contradiction between Article 9 and Article 14 of the law has no explanation except that the legislators sought to have Articles 7 and 9 applied once, upon preparation of the lists for the first time. This is clear from the difference between the contestation and submission periods and the periods in the other articles in the law. This situation is to be considered aberrant in legislative theory, since in legislative custom no part of a law exists which is drawn up to be applied for one time. This sort of situation ought to have been left to the regulatory decisions by which the executive authorities engage in applying the laws.

#### **Regarding Candidacy for Membership in the Chamber of Deputies**

Article 18 has stipulated the conditions for candidacy for membership in the Chamber of Deputies. We observe that Paragraph D has stipulated that the candidate not have been sentenced for a moral crime or misdemeanor, contrary to what was stated in Article 3 regarding the conditions for exercising the right to vote. The legislators have done well in this regard, but the stipulation ought to have included all crimes or misdemeanors deleterious to honor or trust.

In Paragraph E, there is a point that merits approval. Regarding the candidate, this paragraph has stipulated "That he not belong to an unlawful organization. An unlawful organization is one whose principles, goals, and objectives are incompatible with the provisions of the constitution."

The definition of an unlawful organization was made in an excellent, accurate fashion characterized by democratic spirit and commitment to the stipulation of Article 16 of the constitution.

In Article 24, we observe that if the administrative governor refuses to accept his candidacy, a person applying to be a candidate may object to the decision within 2 days of the date of his being so notified before the court of first instance in whose jurisdiction the electoral district lies, while Article 26 has given every voter the right to contest the acceptance of the candidacy of any candidate in his electoral district before the supreme court of justice within 3 days of the date of the submission of the candidates' lists. Why does the candidate have the right to contest the refusal to accept his candidacy before the court of first instance, while the voter who wants to contest the acceptance of a candidate's candidacy is

compelled to direct the contestation to the supreme court of justice, whose location is Amman, with the exorbitant court fees, preparation of data, and transportation of this data to Amman that this requires, since the purpose of this has not been to infringe on the voter's right to make a contestation, especially since the administrative governor's decision of acceptance or rejection is a single administrative one? How can contestation of the same decree by one citizen be before the court of first instance and by another one before the supreme court of justice? For this reason it would be better to combine the contestation body. If the legislators wanted to impart the character of seriousness to the voter's contestation of the acceptance of the candidacy of a candidate, that would be possible by compelling him to offer a judiciary bond which would insure any disruptions or damages the candidate might be subjected to if it is apparent that the voter is not in the right in his contestation.

We observe, in Articles 24, 25, 26, and 27 of the constitution, that the regime in the kingdom is founded on the separation and independence of the three powers, and of course this principle is one of the bases of modern democracy, especially since Article 24 of the constitution has stipulated that "the nation is the source of powers." It appears that it is through reliance on these constitutional stipulations that the legislators have authorized the contents of Article 20 of the law, that officials in ministries, government offices, and official and public organizations who receive a salary from the government treasury or the funds belonging to it or are subject to its supervision, and officials of international bodies and chairmen of municipal and village councils, may present themselves as candidates to membership in the Chamber of Deputies only if they submit their resignations from their positions at least a month before the date specified for the holding of the election. This principle is in effect in all democratic countries but we observe that it has often happened that a deputy, after his election, holds membership in both the ministry and the Chamber of Deputies, and in this manner becomes a member of the legislative power and the executive power, which violates the principle of the separation of powers in the constitution, which has given the right to hold both executive and legislative power only to his majesty the king: Article 25 of the constitution ("the legislative power is given to the Council of the Nation and the King,") and Article 26 of the constitution ("the executive power is given to his majesty the king and he exercises that by means of his ministers in accordance with the provisions of the constitution.")

Finally, there is not sufficient space to discuss all the chapters of the law on elections all at once; my observations have been confined to the first five chapters, and four chapters connected to the election process, activities of counting votes, election publicity, and election crimes remain. I hope to be able to write about these at a subsequent time, but I hope, through this, that my own theorizing will provoke differing individual thinking which will enrich the discussion and strengthen the people's benefit.



### Industrial Development Bank Loans Reported

44040164 Amman AL-DUSTUR in Arabic 3 Dec 88 p 4

[Text] The Industrial Development Bank (IDB) issued 58 loans totalling 5.5 million dinars to finance projects in industry and tourism during the first 9 months of this year.

In the third quarter of the year, according to bank sources, the bank issued 17 industrial loans totalling 1.59 million dinars and one 35,000-dinar loan to a touristic project. Four of these loans went to new projects and 14 to ongoing ones.

IDB sources reported that of all industrial loans granted during the third quarter, 52 percent of the funds were for the purchase of capital goods, 46.4 percent for raw materials, and 1.2 percent for plant construction.

Loans this period for building construction and the purchase of machinery, tools, and equipment went to projects with aggregate investment cost of some 1.9 million dinars, according to industrial development bank sources. The same sources expect these projects to contribute some 2.9 million dinars to national income and to create 57 new job opportunities in their first year of production.

The sources pointed out that eight industrial sectors benefited from IDB loans during the third quarter this year.

Three loans went to projects in the paper industry. One, for 50,000 dinars, finances the purchase of machinery and the construction of buildings for a new schoolbook plant at al-Nu'ayimah in Irbid. Another loan for 320,000 dinars went to an existing cardboard and corrugated box facility in al-Zarqa'. A third for 4,000 dinars will finance the purchase of raw material for a printing shop in al-Aqabah.

Equipment and metal industries also benefited from three such loans to two projects, one of them new. Two loans for 150,000 dinars are to finance the purchase of equipment and raw material for a projected air conditioner plant in al-Muwaqqar. It is the only project for the manufacture of air conditioners in Jordan.

The third loan, for 50,000 dinars, will finance the purchase of raw materials for an operating machine workshop.

Only one bank loan was made to the non-metal industries sector. A tile and marble facility was granted 250,000 for the purchase of raw material.

In the plastics sector, loans went to three existing facilities. A loan for 150,000 dinars went to a factory that manufactures polypropylene sacks for packaging flour, sugar, rice, and fodder. A manufacturer of drip irrigation

pipes received the second loan for 45,000 dinars. The third loan, valued at 7,000 dinars, was extended to a manufacturer of polyethylene bags and plastic containers.

Four textile projects were also loan beneficiaries. A new Industrial City project received 18,000 dinars for the purchase of machinery to make men's and women's shirts. Three other facilities borrowed to finance the purchase of raw materials. One, which produces assorted clothes, was granted 100,000 dinars. A thread spool factory was loaned 65,000 dinars. The third loan went to a producer of men's and boy's socks.

The chemicals sector was granted one loan for 180,000 dinars to finance the purchase of raw materials for the production of compound chemical fertilizers. The Industrial Development Bank is considered one of the founders of the project and has contributed 25 percent of its capital. The bank has also joined with Agricultural Credit to arrange a 200,000-dinar consortium loan for the project.

An operating bakery of bread, cake, and pastries was extended an IDB loan of 50,000 dinars for the purchase of machinery.

In the leather industry, a 10,000-dinar loan was granted an existing facility that produces assorted luggage.

### Phosphate Industry Discussed

44040162 Amman AL-DUSTUR in Arabic  
10 Dec 88 p 14

[Interview with engineer 'Ali al-Nusur, general chairman of the Arab Potassium Corporation, by editor in chief 'Abd-al-Salam al-Tarawinah and Tawfiq al-'Abid, Muhammad Amin, Yahya As'ad, Tal'at Shanna'ah, Muhammad al-Da'mah, Ghadah Abu-Yusuf and Ahmad Shakir: "Eng 'Ali al-Nusur: Potassium and Phosphate Are Jordan's Oil; Potassium Project Has Cost 180 Million Dinars and This Year's Sales Are \$110 Million in Hard Currency"—date and place not given]

[Text] Though oil-prospecting efforts in Jordan continue now that good signs of the possibility of the existence of this wealth have come to the light, we are proud that Jordan's oil consists at present of potassium and phosphate which constitute fundamental sources of income in our country.

AL-DUSTUR, which observes the development projects with interest and sheds light on our national industries, has hosted Eng 'Ali al-Nusur, the general director of the Arab Potassium Corporation, having shed light in a previous edition on Jordan's phosphate industry.

At the outset of the interview, colleague 'Abd-al-Salam al-Tarawinah, the editor in chief, welcomed Eng 'Ali al-Nusur who manages "Jordan's oil" and who has been able to make major and proud accomplishments for the company.

Colleagues Tawfiq al-'Abid, Muhammad Amin, Yahya As'ad, Tal'at Shanna'ah, Muhammad al-Da'mah, Ghadah Abu-Yusuf and Ahmad Shakir took part in the interview.

### Historical Synopsis

[AL-DUSTUR] To begin the interview, we beg you to give us a glimpse of the size of Jordan's potassium deposits and a synopsis of the corporation's history.

[Al-Nusur] Potassium and phosphate are, generally, Jordan's oil in the absence of oil. You are aware that Jordan possesses large, high-quality phosphate deposits. I am here to talk about potassium.

There are three main types of fertilizers: nitrogenous, phosphate, and potassium fertilizers.

Nitrogenous phosphates are available in abundance in the Arab area. Next to the Soviet Union and the United States, Jordan is one of the few countries that contains two main fertilizer elements: phosphate and potassium. The source of potassium is the Dead Sea, which is the richest source of salts. The Dead Sea contains an estimated 40 billion tons of various salts.

The Jordanian potassium project is characterized by extracting potassium chloride from the Dead Sea salts. There are a few similar projects, one of them in Utah, the United States—this project is not operating at present—and another in the PRC. The Jordanian project is also characterized by its concerted exploitation of solar energy. Salt sedimentation is allowed to take place in solar salt basins covering an area of nearly 100 square km and the salts are then harvested. Salt percentages in the Dead Sea water are as follows: 7.65 percent sodium chloride, (1.2) percent potassium chloride, 13.76 percent magnesium chloride, 0.48 percent magnesium bromide, 3.38 percent calcium chloride, and 73.11 percent water.

### Creation of Potassium Corporation

[AL-DUSTUR] What about the Jordanian potassium project?

[Al-Nusur] Jordan's potassium industry dates back to the early 1930's when the Palestinian Potassium Company operated a project in the northern and southern parts of the Dead Sea. This project came to a halt as a result of the 1948 developments.

The Arab Potassium Corporation was founded in 1956 with a capital of 4.5 million dinars and was given a 100-year concession to exploit Red Sea salts and to set

up the chemical industries needed for the purpose. Consequently, numerous technical and economic studies were conducted and experimental sedimentation and harvesting projects were set up. But the project was again delayed by the 1967 developments. The detailed technical and economic studies were completed in the 1976-78 period. The project was built completely by the end of 1982, and it began its experimental production in 1983.

### 180 Million Dinars

[AL-DUSUTR] What about the development of the Arab Potassium Corporation's capital and about the project costs?

[Al-Nusur] The corporation's capital has been gradually increased from 4.5 million dinars at the time of founding to 72.45 million dinars. The Jordanian Government's share is 56.1 percent, the Arab Mining Corporation's share is 22.8 percent, and the share of each Kuwait, Iraq, Saudi Arabia, and Libya is 4-5 percent.

The corporation is managed and its policy is charted by a board of directors comprising 15 members. Eight members, including the president and general director, represent the Jordanian Government, three represent the Arab Mining Corporation and the other four represent each Kuwait, Iraq, Saudi Arabia, and Libya.

The project costs have amounted to nearly 180 million dinars, financed by the corporation and by loans from international financial institutions, friendly governments and local banks.

### Fertilizers

[AL-DUSTUR] What about the importance of the fertilizer industry to Jordan and the Arab world?

[Al-Nusur] Next to the Soviet Union and the United States, Jordan is one of the few countries where the raw materials for phosphate and potassium fertilizers are found together. This is because Jordan's territories contain high-quality phosphate deposits and because Jordan has the Dead Sea which contains potassium chloride. This enables the country to occupy a distinctive position in the fertilizer industry.

Even though the Arab world countries in the east and the Maghreb are famous primarily for their oil and oil-derivatives industry, the chemical fertilizers industry and the raw materials for this industry, which are available to these countries in abundance, are no less important than the oil industry. The Arab Maghreb countries, especially Morocco, Tunisia, Algeria, and Egypt, possess abundant phosphate deposits and they have been developing their phosphate fertilizer industry rapidly and comprehensively. The same also goes for the Arab East countries, especially Jordan, Syria, and Iraq, which possess phosphate deposits and which have developed their

phosphate fertilizer industry. Because the Arab Peninsula countries, led by Saudi Arabia, Iraq, Kuwait, and Bahrain, possess the raw materials and the basic elements needed for the nitrogenous fertilizers industry and because they have sources of cheap energy, they have been able to set up and develop their nitrogenous fertilizer industry well.

#### Production Development

[AL-DUSTUR] What about the development of the corporation's production?

[Al-Nusur] Experimental production was begun in 1983 and the project produced at nearly 23 percent of its designed capacity. In 1985, the project produced at 75 percent of its designed capacity and in 1986 at 90 percent of its designed capacity. In 1987, the project operated at its full designed capacity, producing 1.2 million tons. The 1988 production is expected to amount to 1.3 million tons, i.e., an 8 percent increase beyond the designed capacity, and in 1989 to 1.4 million tons, i.e., an increase of 16 percent beyond the originally designed capacity.

Following is the development of production in tons in the 1983-89 period:

Year	Production in Tons
1983	280,000
1984	486,000
1985	908,000
1986	1,103,000
1987	1,203,000
1988	1,300,000
	Expected
1989	1,400,000
	Expected

#### Marketing

[AL-DUSTUR] What about the corporation's marketing conditions?

[Al-Nusur] Even though the world potassium supply has exceeded demand since Jordan started production, Jordan's geographic position helps it market its entire potassium production. The Jordanian potassium markets can be divided into two main areas: The first area includes countries located east of the Suez Canal, beginning with the Arab Peninsula and the Indian (subcontinent) and ending with Japan, the Philippines, Australia, and New Zealand. Nearly 70 percent of Jordan's potassium is exported to this area. India, the PRC, Nationalist China, Japan, Indonesia, and Malaysia top the list of importers in this area. The second area includes countries located west of the Suez Canal in Europe, Africa,

and North and South America. Nearly 30 percent of Jordan's potassium production is exported to this area. Brazil, France, and Italy top the list of importers in this area.

#### Potassium Prices

[AL-DUSTUR] Let us turn to world potassium prices.

[Al-Nusur] In the past 3 years, i.e., in the 1985-87 period, all kinds of fertilizer products experienced a sharp drop in prices because the supply of all of these products exceeded demand, thus creating fierce competition among producers and resulting in big financial losses for all the producing companies and institutions even though most of them consider their projects to be complete and diversified.

As for potassium, the average price dropped to nearly 50 percent what had been expected in these projects' economic feasibility studies. The studies had expected the average price at 'Aqabah Port in 1986 to be \$140 per ton whereas the average amounted that year to nearly \$70. What caused the prices to decline even further was the fact that there was a drop in the value of the dollar versus the Jordanian dinar.

In the second half of 1987, potassium prices stabilized and then rose by 15 percent in the major markets, such as India, China, Brazil, Japan, and the United States. Prices also rose by a similar percentage in the first half of 1988. It is hoped that these prices will continue to be stable and will rise. This development materialized as a result of the determination of potassium producers, led by Canadian producers, to stabilize and raise the prices in order to get a fair price and to prevent further losses by controlling production to make the supply equal to the demand.

Following is a comparison of the prices expected by the project's economic feasibility studies and the actual prices in the 1983-88 period:

Year	Actual	Expected in Study
1983	72	105
1984	82	119
1985	81	134
1986	69.5	143
1987	66.5	153
1988	86	164

#### Characteristics of Jordanian Potassium

[AL-DUSTUR] What are the positive qualities and characteristics of Jordan's potassium industry?

[Al-Nusur] Jordan's potassium industry is currently distinguished by a number of positive qualities and characteristics, some granted by nature and some gained from the short experience undergone by this industry. Just for example, they include:

- The natural source embodied in the Dead Sea which is one of the richest and easiest-to-utilize sources when compared with potassium mines in other countries.
- The possibility of the use of cheap solar energy for evaporation in the salt basins.
- The possibility of using government-owned land for salt basins and for other project utilities at a cheap symbolic cost.
- The project's proximity to 'Aqabah Port which makes domestic transportation costs low when compared to the domestic transportation costs of other world potassium projects. Transportation cost per ton amounts to nearly \$5 whereas the cost in Canada is nearly (\$30).
- Jordan's geographic location between Asia, Europe, and Africa which contain major potassium markets.
- Arab participation in the project capital and Arab cooperation which guarantees the Arab countries' markets.
- Jordan's good investment market, created by the wise and stable policy embraced by the country.
- The availability of phosphate deposits in Jordan, which helps in setting up complex fertilizer industries in the future.
- The capability of the work force at all levels. This enables the national cadre to manage, operate, and maintain the project well.
- State support and backing, whether in the form of the generous concession terms, including customs and tax exemption, or in the form of the facilities the state has built and offered, be they the road network, the industrial port in al-'Aqabah, the warehouses, the financial aid for energy, and the financial credits and loans.

[AL-DUSTUR] What are the negative features of Jordan's potassium industry, if such features exist?

[Al-Nusur] From the outset, planning for the project was coupled with negative features and characteristics, some dictated by the area's political circumstances and some resulting from the lack of prior experience with and knowledge of this industry. Just for example, the negatives include:

- Occupation of the other side of the Dead Sea and its utilization by the Dead Sea Salts Company.
- The lack of prior experience in exploiting the Dead Sea salts to produce potassium at this large scale. This goes for both international engineering consultants and for local expertise.
- Delay in setting up the project because of the area's development and the fact that the project was set up during the international prosperity period of 1979-82.

This prosperity resulted in higher international bids and in higher total cost for the project.

- Failure of the national manpower to contribute effectively during the initial planning, construction, and operation phase and reliance mainly on foreign manpower and expertise.

#### Production Increase

During the 1984-86 period, i.e., the initial phase of the potassium project's operation, efforts were focused on introducing the necessary improvements and on eliminating the bottlenecks from the various production phases. The project was able to operate at its designed production capacity, 1.2 million tons, by the end of 1987. Steps were taken in 1987 to introduce additional modifications with a marginal investment. Consequently, the designed production capacity was increased by eight percent in 1988 and by eight percent more in 1989. The 1988 production is scheduled to amount to 1.3 million tons and 1989 production to 1.4 million tons.

Steps are currently underway to expand and increase production so that it may amount nearly 1.7 million tons of potassium chloride in 1991-92 and to nearly 2.2 million tons in 1994-95. This will be done through the introduction of a new technology called "cold crystallization." This technology cuts energy consumption. The experimental plants designed for this purpose have been purchased and experiments are being currently conducted to verify the technical feasibility of this project.

The detailed economic and technical feasibility studies are scheduled to be conducted, the financing plans for the expansion of production are scheduled to be made in 1988-89, and implementation of the project is scheduled to begin in 1990.

#### Dead Sea Salts

[AL-DUSTUR] Will your operations be confined to potassium or are there other industries that rely on the Red Sea salts and on potassium?

[Al-Nusur] The Potassium Corporation conducted in past years a number of economic and technical feasibility studies on several chemical industries emanating from potassium, such as potassium sulfides, sodium carbonates, soda ash, magnesium oxide, bromine and its derivatives, and compounded fertilizers. But the results were not encouraging because of the recession cycle in the fertilizer products industry recently. The Jordanian Engineering Company for Industrial Agglomeration was founded in 1986 by the Royal Scientific Society, the Social Pension and Security Fund, and the fertilizer (phosphate and potassium) companies to update the economic and technical feasibility studies on chemical industries emanating from the potassium and phosphate

industry and from other chemical industries. It is hoped that this company will formulate a complete plan to implement the major part of these industries in the near future.

### Manpower

[AL-DUSTUR] What is the number of the corporation's local and foreign workers?

[Al-Nusur] The biggest success the corporation has perhaps achieved in the few years since it started operations is the ability of its national cadres and outfits to shoulder the responsibility and to manage, operate, and maintain the corporation's facilities. A total of 1,450 employees work at various sites in Amman, al-Safi, and al-Aqabah. The corporation has given them honorable working conditions and provided them with good services, including employee housing, health, accident and life insurance, social security, a savings fund, site allowances, and other benefits. All this makes the Potassium Corporation's working conditions comfortable for the employee. When I assumed my post, there was a large number of foreign workers in the corporation. I am proud that the plants are now operated by Jordanians, except for 3 foreign experts and a small number of skilled Indians and Pakistani workers.

### Potassium at the International Level

[AL-DUSTUR] What is the volume of the world's potassium production and trade?

[Al-Nusur] The world's 1988 potassium production is estimated at nearly 30 million tons of potassium oxide or the equivalent of 46.4 million tons of potassium chloride. The Soviet Union, Canada, East Germany, West Germany, and France top the list of producers whereas the United States, the Soviet Union, West and East Europe, India, China, Brazil, and Japan top the list of consumers. Following is a list of the main producers and consumers in 1988:

Producing Country	Volume in Tons
Soviet Union	16. Million Tons
Canada	12.5 Million Tons
GDR	5.6 Million Tons
FRG	3.1 Million Tons
"Israel"	2. Million Tons
France	1.9 Million Tons
United States	1.9 Million Tons
Jordan	1.3 Million Tons
Spain	1.1 Million Tons
United Kingdom	0.7 Million Tons
Other Countries	0.3 Million Tons
Grand Total	46.4 Million Tons

### Consuming Countries

Country or Area	Volume in Tons
Soviet Union	11 Million Tons
United States and Canada	9.5 Million Pounds
West Europe	9.5 Million Tons
East Europe	6 Million Tons
Asia and Oceania	6.5 Million Tons
Latin America	3.2 Million Tons
Africa	0.7 Million Tons
Grand Total	46.4 Million Tons

The potassium industry in the Soviet Union, Canada, East and West Germany, France, Britain, and Spain is a mining industry where potassium rock is excavated from underground, at times from a depth of more than 1,000 meters.

### Potassium's Future

[AL-DUSTUR] What is the future of Jordan's potassium industry?

[Al-Nusur] The current potassium plants and installations are the first phase of this industry and the fundamental base on which future potassium industries will be established. There is no doubt that the main factors on which the future success of the industrial projects depends are available, be they factors concerning the ability to plan, finance, manage, operate and maintain projects, or the ability to market their products.

### Our Profits Are \$110 Million

The foreign currency income from potassium sales in 1988 is estimated at \$110 million and the company's profits for this year are estimated at 6 million dinars. The general income in foreign currency in 1989 is estimated at \$130 million and the company's profits for 1989 are estimated at 26 million dinars. With the onset of 1990, the company will be able to make up for all the losses it incurred during its initial years of production, 1983-87. In the same year, 1990, the corporation will distribute to its shareholders profits of more than 20 percent. The corporation's profits for the years following (the 1990-92 period) are estimated at 30 million dinars annually. This will enable the company to finance its production expansion projects and to distribute good profits to its shareholders.

### Serving Local Environment

[AL-DUSTUR] What role does the corporation play in serving the local environment through its operations in Ghawr al-Safi?

[Al-Nusur] If you backtrack, you would find that the area was lifeless. But since the potassium industry has been established, the presence of 100 square km of salt basins gives the area a special look. A complete town with hospitals, schools, and clubs has been created and the industry has provided 1,450 jobs, of which 60 percent have gone to the area's inhabitants.

## KUWAIT

**Western Attack on Arab Investments Described**  
44040159 Kuwait *AL-MUJTAMA'* in Arabic  
22 Nov 88 pp 29-31

[Article by 'Abd-al-Rahman al-Tamimi: "World War Against Arab Investments"]

[Text] Arab investments in Western countries have suddenly become threatened in several countries and have become an issue raised in the economic arena. The attack is not haphazard; the timing has been chosen carefully. What causes a country like Britain, which claims to practice free trade, to curb Kuwaiti investments in it? The issue of Kuwaiti investments is being raised at the same time in Spain, France, and America. Are these isolated cases, or an organized economic war?

Who stands behind this economic war against the Arabs? Who is troubled by the Arabs' good management of their successful investments and by their powerful steps to take advantage of the circumstances of the international economy to diversify their sources of income and improve their condition? And why? This premeditated attack against the Arab economy is an economic siege of a new kind aimed at impoverishing the region, preventing it from realizing an economic surplus that would support its existence, and keeping it at the mercy of an unhealthy oil market and its declining prices!

The following economic report discusses this issue.

### The British Petroleum Issue

The first surprise was the British Government asking the Kuwait Investment Office to lower its share in British Petroleum from about 25 percent to under 10 percent, without previous warning, and in clear violation of the rules of international free trade and Britain's own capitalistic economic principles. This was a dangerous precedent in the world of international trade and economy, the first of its kind in the countries of the so-called "Free World" [preceding two words in English].

Kuwait had purchased most of these shares on the eve of the collapse of the American and other world stock markets on Black Monday during October 1987. By moving to buy shares that were being offered at that unfortunate time, the Kuwaiti step helped save the price of British Petroleum shares. At the time, the Thatcher government welcomed the Kuwaiti move, which saved it from embarrassment because of the poor timing of the

offer of shares for public sale. However, a year after Kuwait's purchase of these shares, this welcome turned into something like hostility; the least one could say was that the position was angry and unfriendly. It was as if Britain wanted Kuwait to be deprived of the long-term benefit and yield of these shares, in addition to the certain loss Kuwait would suffer because of its forced sale of the shares within a fixed period. This would deprive Kuwait of the opportunity to set a price appropriate to its circumstances and would prevent Kuwait from realizing the profit that would surely come if the shares were sold normally and voluntarily, or at least not publicly.

It seems that the British Government is forgetting or pretending to forget that a large part of the effort to save its economy in the period of stagnation in the late seventies and early eighties was due to Gulf investments there, before the United States belatedly moved to add the United Kingdom to the rest of its states.

### Issue of Investments in Spain

The second issue is that of Spain. Early in the eighties, Spain was suffering from bad economic conditions. One of the solutions proposed to the Spanish Government was the encouragement of foreign investment. In 1986, Kuwaitis began entering the Spanish market carefully and discretely. Within 2 years, Kuwaiti investments included a chain of hotels, a real estate group, an agricultural-food products group, a paper company, a chemical group, and a group of banks. By early 1988, Kuwaiti investments amounted to nearly 62 percent of total foreign investments in Spain.

It was then that the Spanish began to think of "economic security" and "national pride." They stood like an impenetrable wall in the face of Kuwaiti investments, forcing them to cease temporarily. Kuwaiti investment was portrayed as a war against Spain, even though the revival of Spain's national economy was due to bold Kuwaiti steps in investing there. Indeed, the stability of the peseta (the Spanish currency) and the Spanish economy's continued growth at rates greater than its European counterparts, thus qualifying Spain for entry into the European Common Market, can be attributed to the size of Gulf and Kuwaiti investments in particular. These enabled Spain to reach its present economic strength.

The behavior of the Spanish Government, especially in the case of the Spanish bank in which Kuwait owns a large share, clearly showed that government's unwillingness to have Kuwaitis reap the fruits of their successful investments in Spain. The government would let them plant and toil; then it alone would pick the fruits. It was an extremely underhanded policy and a violation of all the customary rules of what is called international commerce.

### Problem of the French Cafe

A third case of opposition to Arab—i.e., Kuwaiti—investment in the West arose in France. The case involved a small cafe called (Fouquettes) owned by a Jew in the Champs Elysee district. Kuwaiti investors tried to buy it for tourist use, but the affair quickly turned into an issue of French national culture, infringing upon French history and monuments. France considered it wrong to touch (Fouquettes)—as if it were like the famous Arc de Triomphe! In fact, it was just a cafe that tourists frequented. But the trumpets of the French media that previously attacked Roger (Jarudi) because he converted to Islam, thereby humiliating Judaism; that applauded when a Jew, Laurent Fabius, reached the rank of prime minister of France; and supported abortion for French women because a Jewish minister of health, Simone Weil, approved it—the same media attacked Gulf and Kuwaiti investment in France.

The affair turned into a national issue. The French media began comparing the war against Gulf investment to a “Kuwaiti Waterloo,” after the famous battle at which Napoleon was defeated by the English, thereby losing his chance to return to rule France in 1815. They likened the matter to Kuwaiti “penetration” of France.

### Another Attack in America

Late in October 1988, THE WASHINGTON POST launched another attack against the Arabs and their attempts to invest in America. The newspaper considered the purchase of a bank by an Arab—this was the case the newspaper cited—an Arab attempt to dominate the economy of America! This American attack can be considered a natural extension of the attack on the Arabs in Europe. It was marked by an extreme feverishness and a maliciousness abnormal in a comfortable economic climate marked by constant growth and by a stability instilling optimism. Which is to say that there were no real economic justifications for European or American alarm about one more foreigner's investment in a stable economic world.

Furthermore, Gulf Arab investment was always careful to separate its investments from political content and keep them away from the winds and currents of politics.

### The Secret Behind the Attacks

By means of their media trumpets and their hiding behind European and American nationalities that bestow counterfeit identities on their sick, ideologically and historically neurotic souls, those “who are jealous of the people for the bounty that God has given them”—as the noble Koran [4:54] describes them—are trying to hide their real nature. They are trying to limit Gulf Muslim competition in the area of international investments, despite the opportunities available there.

That the transformation of economic investment issues into political issues with overtones of domination, invasion, and wars—in countries that guarantee a so-called free economy and open their doors to all investors—is an obvious bit of deceit needs no justification or interpretation. What really is being attacked now is not France, Britain, or Spain, it is Arab Muslims, represented by Kuwait. It is as if one of the requirements for European unity were the cleansing of the European household from Arab wealth, to be replaced by Jewish wealth coming from America or Europe.

If this were not so, why didn't the British trade minister consider the acquisition by Swiss chocolate companies of the British Rountree Chocolate Company a question of national security or foreign invasion or a question of a threat to the European Common Market, of which Switzerland is not a member?

Why didn't the British media move with the same force against this investment as they did in the question of British Petroleum? Where is this national pride that only emerges in opposition to Arab investments?

This biased behavior by Western governments betrays a new kind of racism in the world of international economics. The suspiciously coinciding media movements in several European countries reveal the parties standing behind these campaigns. It is international Masonry. Its strings are pulled by the Jews. They spend their money for it to make war on God and Islam.

### An Economic Blockade

It is no secret that the Gulf countries depend on foreign investments to support their economy, which is based on a single raw material, oil, whose market and prices witness sharp fluctuations and declines that influence the national economy of these countries negatively.

The price of a barrel of oil now is no more than \$10, and there are no indicators of an improvement in its price until the beginning of the nineties. For the next 2 years, under the best of forecasts, the price will not exceed \$15 a barrel, which means lean years for countries that depend on oil as a sole source of income for a number of years to come.

During these lean years, there remains no source for the Gulf countries to support their economies except foreign investment in the international economic world that permits commercial practices in accordance with its acknowledged rules and theories. When these interests are subjected to attack, it means, quite simply, an economic siege of these countries.

However much the European Community or the United States try to give the matter another name through their economic or diplomatic channels, they will never succeed in changing the fact and the reality.

### Breaking the Siege

Some of the proposed responses to this war depend on addressing the Western citizen himself. We therefore propose the following:

1. Paid information campaigns in the Western information and mass communications media should focus on the positive aspects and past and future benefits of these investments in these countries. Citizens, businessmen, and government officials should be alerted that loss of foreign investment would mean loss of opportunities for employment, social progress, and economic prosperity. The investment achievements in the citizen's country should be presented and defended in a way that is simple, direct, and close to the heart, mind, and milieu of the European. The experiment should begin in Spain.

2. Areas for investment in virgin Islamic countries should be explored. Capital should be invested in them to support their economies and existence and to take advantage of the continued growth of investments whose initial costs will be very small, compared with their future yields. The Maldiv Islands can be cited as an example.

3. A new area for investment should be opened in Islamic countries in which there are Western investments to exploit their buried raw materials and relatively cheap human resources that lie unused because of unemployment and lack of education. These countries will thus be a future asset, safer and more assured than the countries of the Western world. Malaysia and Indonesia can be cited as examples.

4. New areas for investment should be explored and opened in the Gulf states themselves to diversify self-produced income sources. These sources will not involve such dangers of foreign investment as the fluctuations of the international economy and politics, geographical distance, the difficulty of controlling or managing investment projects, nationalization or confiscation, currency differences, etc.

We pray that God will preserve our sons and property from Jewish Masonic stealth and Western wickedness and will cause us and our coming generations to derive benefit from this wealth. Verily He is an excellent Help, and He is the Answerer of prayers!

**New Business Regulations Proposed**  
*44040130 Beirut AL-MUSTAQBAL in Arabic*  
5 Nov 88 p 33

[Text] Kuwait's Ministry of Trade and Industry drafted a new bill that will replace current legislation for companies. This legislation has been in effect for over a quarter of a century during which the country experienced tremendous changes in all walks of life.

A preliminary reading of the new bill shows that new provisions pertaining to founders and missing from the current law have been introduced to control and determine responsibility when the establishment of a company is a sham. This new bill is receiving the attention of legal and commercial circles who are currently studying it to propose some amendments to it which might be necessary. According to the proposed law a company's founders may not dispose of their shares, or of any temporary instruments which are being used in lieu of shares, until at least 3 years after the company is registered in the commercial register. The bill, which also has controls regulation of a joint-stock company's issuance of convertible shares, gives shareholders priority to subscribe for the company's shares.

The bill sets forth a new set of regulations for holding companies. These regulations conform to what is required by existing economic conditions. The bill also introduced a new set of regulations dealing with changing the legal form of a company and with mergers between companies.

For the most part, the bill explains details in the clauses of the existing law, and most of its articles amend the existing law and add more flexibility to it for the purpose of adjusting to new economic conditions locally and universally.

Regarding companies' profits, the new law prohibited companies from including paper profits in their budgets. If such profits are distributed, a company's creditors may ask each shareholder to return the money he received. The members of the board of directors as well as auditors [of such a company] shall be jointly liable for damages to a company, to shareholders, or to others resulting from the distribution of paper profits.

It is not clear, however, what methods can be used to control fraudulent practices. This is because there are some companies which always tend to take advantage of existing loopholes in the law. That is why we have to be deliberate, and we must not pass this law hastily. Examples of such fraudulent practices include increasing the profits of companies by using some of the assets; overestimating the market value of some assets; or adding the profits of one fiscal year to those of the fiscal year in question.

The new bill stipulates that managers be held accountable for damages to a company or to its shareholders caused by mismanagement or by actions taken by the managers in violation of the law or of a company's charter. Also in accordance with the bill, a shareholder may not assign his shares in a company without the consent of all other shareholders, unless the company's charter indicates otherwise. Also, a company's charter may not be amended without the consent of all shareholders.



The bill establishes more specific controls for joint-stock corporations.

It also proposes new amendments pertaining to joint-stock companies. The bill mentions that when new shares are issued, shareholders are to receive priority, in proportion to the number of shares they hold, in subscribing for the new shares. The bill establishes the terms under which a company may reduce its capital, and it also establishes the terms under which a company may borrow money by issuing bonds.

In addition to the capital reduction methods defined in the previous law, the new bill allows companies to reduce their capital by reducing the nominal value of shares, or by abolishing a number of shares whose total value equals the amount of capital reduction. This would enable the company to purchase a number of its shares equal to the amount of capital reduction.

In case a number of shares is cancelled, such cancellation, says the law, must be done on a proportional basis, that is, in proportion to each shareholder's share of the stock. Thus, no shareholder is denied the right to own stock in a company. The bill introduced rules regarding loan certificates issued by joint stock companies. It also determined the rights and obligations of company founders and shareholders. In accordance with the proposed bill a person may serve on the board of directors of four companies. The present law allows a person to serve on the board of directors of three companies. The law does not allow a person to serve on the board of directors of two companies that are competitors and that have similar purposes. A company's board of directors is to meet at least four times a year unless the company's bylaws stipulate that the board meet more often. The new bill also referred to the rules regulating the meetings of a board of directors. The law bars the chairman of a board of directors, members of the board, or the general manager of a company from having any direct or indirect interest in the company's contracts and deals unless they have authorization from the general assembly.

Members of a board of directors shall be individually liable if an error has to do with a decision made by a member of the board, but they shall be jointly liable if the error has to do with a unanimous board decision.

The new bill proposes that the deduction from net profits be increased from 10 to 15 percent. It determined that the optional reserve shall be 10 percent.

Also in accordance with the new bill, shareholders who own 15 percent of the company's capital may ask the competent government agency to inspect the company and investigate allegations of wrongdoing or failure to perform on the job which may be made against members of the board of directors, auditors, or the company's general manager.

The law contains ways of dealing with a company's losses and, whenever necessary, liquidating that company.

The law sets the conditions under which holding companies and limited liability companies can do business, and it deals with a few shortcomings in the current law. Shareholders may write a company's bylaws, and these bylaws, which are to be written in an official report, are to include the detailed rules agreed upon by the shareholders. The new bill also dealt with rules for assigning shares, transferring ownership, managing a limited liability company, and determining a manager's responsibility and powers.

The proposed bill requires the charter of a limited company to provide for the appointment of an auditor. It gives each shareholder the right to examine the books personally or to appoint someone to do so on his behalf. With regard to limited companies, the law also establishes more regulatory methods for increasing and reducing capital and for setting up reserves, and it sets up regulations for liquidating companies.

Article 416 of the proposed bill stipulates that joint-stock companies obtain a ministerial decree to set up joint investment funds.

Observers are saying that the purpose of the proposed bill is to stay in step with significant economic developments which have been experienced by the local economy. Numerous articles in the new bill added more flexibility and amendments to the current law.

#### **Text of Agricultural Investment Law Published** *44040160 Kuwait AL-WATAN in Arabic 3 Dec 88 p 13*

[Text] AL-WATAN learned that state authorities have agreed not to set ceilings for loans under the agricultural investment law recently approved by the council of ministers and referred for preparation and implementation to the Industrial Bank [of Kuwait], the Public Authority for Agriculture, and the [Kuwaiti] Investment Authority.

Loan ceilings for each of the eight activities covered by Article II of the law whose text follows, will be determined on a case by case basis by the Industrial Bank with the approval of an advisory committee composed of three senior officials of the Agriculture Authority, the Investment Authority, and the Industrial Bank.

The text reads:

In compliance with a contract for portfolio investment and management between the General Authority for Investment and the Industrial Bank of Kuwait for the purpose of financing the various sectors of agricultural production; and in pursuit of the objective of setting up

the portfolio to support credit policies for agricultural promotion and stimulation; the following rules and regulations shall govern the portfolio's operations and investments:

Article I included a definition of terms and stipulated that terms used in the contract shall, whenever used in the text of the law, have the exact meaning given them under the contract. For purposes of implementing the law, the following definitions shall apply:

- "Borrower" or "client" means the individual owner of the project being financed in any manner by the bank with portfolio funds in any of its forms;
- "Agricultural loans" denote loans, credits, facilities, or any other portfolio financing extended by the bank for agricultural production.

Article II stipulates that, Article III provisions notwithstanding, the portfolio shall be used to finance farm production in general and the following activities in particular:

- Poultry farms of all kinds including those for the production of meat or eggs,
- Domestic dairy products,
- Green-house produce,
- Planting of grains and other farm products,
- Animal husbandry,
- Fishing and fish farming,
- Fodder and fertilizer production,
- Freezing, storing, and transporting domestic products of all kinds.

Article III prohibited borrowing agricultural portfolio funds for the purpose of paying back industrial loans.

Article IV allowed that the bank may extend portfolio loans either for a short-term not to exceed one year or for longer terms not to exceed 10 years.

Short-term loans are to finance current farm operations such as preparing the land for planting; the purchase of seeds, fertilizers, pesticides, fuel, and fodder; wages for farm hands, and similar costs and expenditures.

Other loans would finance the purchase of animals, poultry, and machines and equipment; setting up green-houses and orchards; artesian well drilling and maintenance; canal construction and maintenance; building construction, rehabilitation, and repair; land reclamation; and other medium-term agricultural investment.

Article V stipulates that the loans are subject to administrative fees of 2.5 percent.

Article VI limits loan security to agricultural possessions unless the borrower wishes otherwise and is willing to submit collateral to secure the loan.

Article VII permits the bank to allow agricultural borrowers a two-to-five-year grace period depending on the nature of the project.

Article VIII stipulates that agricultural loans are to be paid back by installments to be determined by the bank. Delayed fulfillment will be subject to a late charge of one percent above and beyond the loan's specified interest.

Article IX dealt with housekeeping and stipulated that the bank, guided by the above basic rules and regulations, is to prepare guidelines to govern farm loans and other vehicles of agricultural credit.

Article X covered the formation of an advisory committee composed of one representative each from the [Kuwaiti] Investment Authority, the Public Authority for Agriculture and Fisheries, and the Industrial Bank of Kuwait. The committee shall have competence over general matters dealing with agricultural credit covered under the contract and shall propose solutions to any relevant problems. The committee shall hold a regular meeting every 3 months or, if need arises, at the request of one of the participants. The bank also may, at its discretion, consult on credits and facilities with the Public Authority for Agriculture and Fisheries.

## LEBANON

### Fadlallah, Others Express Views on Present Situation

44040213 Beirut AL-NAHAR AL-'ARABI WA  
AL-DUWALI in Arabic 12-18 Dec 88 pp 16-18

[Article by Johnny Munayyir]

[Text] In addition to appointments which counterbalanced each other, events which occurred in succession over the last few days, and the controversy which arose over the central bank led many observers to believe that the situation in Lebanon was actually moving toward a new era or, as some people like to refer to it, the Lebanese Republic.

At a gathering that included a few diplomats and media officials, the ambassador of a Western country which has influence in Lebanon said that events had forced the demise of the 1943 National Pact on 23 September 1988. Today, Lebanon is looking for the pact that would suit it best. That pact is being custom designed by the factions, and it will be ready next spring.

One of the people at the gathering asked the ambassador, "Aren't the presidential elections, then, beside the point?"

The ambassador replied, "Not necessarily. What is certain is that the next president, should there be an election, will inaugurate the new face of Lebanon. In other words, he will become the first president of the second republic, which, I believe, will be a federal republic."

Nothing that was said by the Western ambassador was new to political circles which started watching the events that occurred after last 23 September. Nor were the ambassador's words new to Syria which had failed to implement the first article of the agreement between Murphy and al-Asad. Therefore, Syria preferred to consider the steps it would take: it wanted to clear the deck in preparation for the next stage which everybody has been waiting for.

"Nothing comes to an end in Lebanon," say observers. The most salient evidence of that is the existing constitutional vacuum. In legal or constitutional terms such a vacuum means that an institution or a state has come to an end. In Lebanon, however, a constitutional vacuum opens up new prospects which may provide a solution to the Lebanese problem which has persisted for 14 years. Syria tried to design a solution to that problem that met its standards. It tried to do that in the agreement it concluded with Washington through Richard Murphy, the American envoy. Syria's solution was part of a regional plan which would have two winners: Syria and Israel. But the most prominent victims of that plan would be the Lebanese and the Palestinians. Although Christian opposition to the plan shot down the article which had to do with them, Syria has been trying to go ahead with the other articles of the agreement in the hope of winning what it had hoped to win. Syria was certain that local and international circles had bypassed Lebanon's presidential law and left it behind once and for all, so while it tried to restore domestic order by conducting strikes against Hizballah in the southern suburbs and south Lebanon and against the PLO's military infrastructure in south Lebanon, it was caught off guard by two steps that were taken simultaneously. Syria was caught off guard by the initiative taken by Maronite Patriarch Mar Nasrullah Butrus Sufayr, which was supported by Saudi Arabia, and by the clashes which occurred in the southern suburbs and coincided with the Iranian expansion into the heart of Syria's security zones in West Beirut.

#### A Cover for the South

And yet, Syria's response to the two steps was designed to conceal its real objectives in south Lebanon. Syria's response to Patriarch Sufayr's action, which was sponsored by the Vatican, Europe, and Saudi Arabia, was soft, suggesting that Syria was deliberately marking time, since regional and international conditions were not allowing it to make any gains. So Syria entrusted the response to its allies, allowing them to attack the initiative and to demand pre-election reforms.

Because Bikirki's initiative, which is sponsored by Arabs and Saudi Arabians, appeared to leave Damascus out and relegate its previous role to the sidelines, Syrian troops did not contain the incidents in West Beirut deliberately. They had two objectives:

1. They wanted to reveal Hizballah's positions in West Beirut.
2. They wanted to rock security in Sunni neighborhoods to enlist Sunni compliance with Bikirki's initiative. They linked security for Sunnis in West Beirut to political compliance with the Syrian approach and to providing the required political cover for al-Khatib's army to fan out to the west.

To oppose Bikirki's action Damascus also deliberately made the domestic climate more volatile: it delayed the military government's budgets, rejected the army's budget, and suppressed the political climate.

Syria's response to Hizballah's growing influence in West Beirut was to re-deploy the Syrian army as follows:

- Regiment 54: between al-Mazra'ah and 'Ayn al-Marisah
- Regiment 46: between al-Mazra'ah and Bi'r Hasan
- Regiment 554: continued to be deployed in the southern suburbs.

Concurrently, Damascus called for a solution between Amal and Hizballah that would be reached by mutual consent. Damascus did that to win a few points.

1. It wanted to continue applying pressure to "its allies," especially "The Islamic Gathering."
2. It wanted to appease Iran and request additional aid from it.
3. It wanted to put pressure on Arab countries, particularly Saudi Arabia.
4. It wanted to wave the terrorism and the hostages issue once again in the West's face.
5. It wanted to step up radical activities against Patriarch Sufayr's initiative.

While Damascus interfered with Patriarch Sufayr's attack on Lebanon's constitutional law, or with the patriarch's political offensive, and while it was coming to grips with Hizballah's preventive deployment of forces in West Beirut, the situation room in Syria was watching the situation in East Sidon extremely closely. Activities were monitored in preparation for the strike that would be made, because it is in East Sidon that the PLO's last strike force of Palestinians can be found. Resistance fighters near Sidon headed toward the northern borders of Israel in a step which was seen to be a strike against the Shi'ite security zone which had been under Syria's

protection. Members of the Palestinian and Islamic Resistance are coordinating their activities near Sidon so that a decision allowing them to protect the area north of Israel without Syrian oversight could be made in their favor.

A strike against the Palestinians' military capability in East Sidon is a strike against Yasir 'Arafat's sudden rise after his declaration of an independent state. Such a strike would undercut the independent Palestinian action, restoring to Syria some of the appeal its role had among the Arabs. Such a strike means that one of the most important articles of the agreement between Murphy and al-Asad would be implemented.

Hanging on the wall of a Western diplomat's office is a map of the areas of south Lebanon on which a red line has been drawn around Sidon and its suburbs. The diplomat, who drew that line after hearing the news that Syrian observers had withdrawn from Sidon, told his visitors, "The next strike will be here, in Sidon. Syria will use its allies to make that strike and will not become directly involved in it. Israeli airplanes will not be far from the area, and the Mosad will play a principal role in striking the rear lines and creating lateral problems."

The Western diplomat went on to say, "But the results will not be guaranteed. The Palestinian force, which is a large one, is made up of about 15,000 Palestinian fighters plus their Muslim sympathizers. To put it briefly," went on the diplomat, "violence in Sidon will be here to stay."

To assure itself of the greatest measure of success, Syria tried to get Mustafa Sa'd and the Popular Nasirite Organization on its side. There were continuous communications between Syrian intelligence leaders and leaders of the Popular Nasirite Organization. These culminated with Ghazi Kan'an's visit to the capital of the south.

Facts about security indicate that the relationship between the Popular Nasirite Organization and Islamic groups subordinate to al-Shaykh Yusuf al-Muslimani are not smooth. These groups are loyal to Fatah in Sidon.

During his visit to Sidon on 25 November 1988, Ghazi Kan'an asked officials of the Popular Nasirite Organization to expel the Islamic Unification groups which had infiltrated the area from the sea to back 'Arafat's fighters.

Security police in the aforementioned organization managed to arrest seven persons who were affiliated with the unification group in Sidon. While they were being transported from the area, another force of fundamentalists attacked the convoy and managed to free the prisoners after a battle in which two people lost their lives.

In the same vein, Palestinian circles took action in south Lebanon, warning officials of the Popular Nasirite Organization against turning over any of the Muslims they

were holding to Syrian intelligence. Officials of the Popular Nasirite Organization were also warned not to drive members of the unification groups out of Sidon.

#### Between the Hammer and the Anvil

Those who are close to Mr Mustafa Sa'd are saying that Syria's request and the Palestinians' rejection are forcing Abu Ma'ruf into a corner, particularly because he knows the hidden causes of the situation quite well.

Diplomats believe that if Syria succeeds in using its allies to strike against the Palestinian military force in the south, its success will pave the way for the new face which Lebanon will have in the near future.

The constitutional vacuum which continues to exist, the strikes which are being made against Palestinians and Hizballah in the south, and the Christians' continued steadfastness in East Beirut will bring about a new equation or a new map of Lebanon in which everyone who has been steadfast will win. South Lebanon without the presence of a Palestinian military force will become an area where Palestinian civilians can live under international supervision. To put it more clearly, Palestinian civilians will be settled there. An independent Druze settlement in Mount Lebanon will be sanctioned as part of a Lebanese federation. A Christian settlement in East Beirut will expand northward and toward some parts of central al-Biq'a as well, including Zahlah. A Sunni presence will emerge in Tripoli and Beirut where some Sunni-Christian intermixing, which will be sponsored by Arabs and by the Vatican, will be seen. The Vatican, which has insisted on this intermixing, is trying to keep Lebanon a laboratory, albeit a small one, where Islamic-Christian coexistence can be tested. The Shi'ites' areas, however, will get lost between UN supervision in the south or Syrian supervision in al-Biq'a. This is what diplomats are saying. An independent Lebanon, whether or not a presidential election is held, could bring all these parts together under what might be a federation.

#### Fadlallah's Analysis

The scholar Muhammad Husayn Fadlallah has a point of view and an analysis for every problem. Although he does not speak openly and frankly, he alludes to what he wants to say, and points indirectly to those he wants to accuse of something. With Master Fadlallah one has to read between the lines to find out what is the truth. With Master Fadlallah, figuring out what he means is like trying to figure out police mysteries.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] What does the quiet master have to say about the current situation? Is it a preliminary step to partitioning Lebanon?

[Fadlallah] I still think that partitioning the country is not imminent despite all the superficial realities which are floating on the surface of political and official positions. It seems to me that what is happening represents the integrated movement of the secret game which has been agreed to between those who are working behind the scenes to shape the political reality in Lebanon. This is because the situation is such that some kind of noise about politics and security is required to mask the secrets which are being whispered so that matters can be arranged in such a way that none of the small players and disposable political tools would be able to catch on to the game, that is being planned by the big players.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] What are we to understand from this? Where will these matters lead?

[Fadlallah] It seems to me that the matter of the so-called constitutional law will be realized as an ordinary item of the regional and international policy which has been set for Lebanon. However, the whole issue is that of arranging the political situation in Lebanon by means of this constitutional declaration so that something can be done about the country's major problem, which is the Middle East crisis. This problem caused the civil strife which broke out in Lebanon, and the civil strife was the result of this problem.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] In your opinion what will the situation in Lebanon be like in the coming months?

[Fadlallah] It is likely that Lebanon's image will be that of a country which could provide a reasonable climate in which the Lebanese people can catch their breath somewhat before they start striving once again for the constitutional law which is being sought so that the situation in Lebanon can be used to serve the interests of a few regional issues and a few problems that have to do with the Israeli-Palestinian problem. This is because a solution to the problem is not imminent at this stage, since Lebanon has been and still is the land that is experiencing all this turmoil. The turmoil in Lebanon is being used to arrange some conditions in the region or to create turmoil in other areas. The Lebanese people have not come to an agreement, and it would be difficult for them to agree that Lebanon is to become their country. That decision was made for them, and they adjusted to it. The citizens of Lebanon adjust to what others say, and if that is the case, can we expect the country to belong to the Lebanese people?

[AL-NAHAR AL-'ARABI WA AL-DUWALI] Because of the conditions and events we are experiencing now, it is being said that we will have a very hot summer. What do you think conditions will be like next summer?

[Fadlallah] Predicting the weather at this time before the summer might not be scientific. But how hot or cool the summer will be depends on what will happen after the

declaration of the Palestinian state. The climate will depend on what plans Israel has to evade its domestic problems in Lebanon. It will depend on whether or not any makeshift preparations were made for an international conference. It will depend on whether or not another al-Sadat will delay the first session of an international peace conference.

How hot the summer will be remains an unanswered question. And coming up with an answer is not easy. That is why we must watch which way the wind is blowing: we must watch the east and the west.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] Efforts are being made to hold a presidential election. Do you believe that the climate is right for a presidential election?

[Fadlallah] It seems to me that the need which others have for the survival of Lebanon requires that they come to an agreement on that matter. However, the president is to be the one who manages a crisis or takes care of business. Our study of the spheres where the people whose names appeared on the original or alternative list move—if the stories are true—could show us that a president who comes to office because everyone agrees he should be president will be afraid to take chances. He will not be a president who will get rid of all the mines that have been placed in this country.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] What do you believe will be the Muslims' role in these elections?

[Fadlallah] We may not be concerned about names, and election titles may not mean what the words suggest or what is being raised in a campaign which is being fought over the air waves, if one may say so. But we are very much concerned about the Lebanese in Lebanon. We want them to catch their breath so they can continue confronting the situation which was designed to create war in Lebanon for the Lebanese people every decade or two. At the present time the problem to us is not what the media are saying about an Islamic republic and other such matters. The Islamic republic is the designation for a concept. We want to take Islam out of the sectarian box so it can soar freely in an intellectual climate where it can become a factor in the dialogue and in what is being contemplated. To us, the problem is to have the Lebanese lead humane lives. The problem is to get them to agree to conduct a quiet dialogue in which no party will try to score points against the other. When we get to a stage in which the intellectual and political arena in Lebanon becomes open to everyone and free from sectarian barriers which separate people in mind and spirit, we will then be able to present to everyone the plan as an Islamic concept. The problem we now have on the political scene in Lebanon is that people are talking, but no one is listening. Each party is hiding in its corner and fortifying its position with bags of sectarian sand which separate them from each other, leaving no place where ideas can be freely expressed and explored.

We believe that a free and open Lebanon can achieve peace for everyone. We believe it can yield results to all people of ideas who can set up those ideas on convictions which are based on the foundations of a precise idea. I declared in a previous Friday sermon that if we as Muslims fail to achieve an Islamic state for everyone, we should not stop in our tracks. Instead, we must call for a humane state for everyone. With a humane approach achieving intellectual and spiritual serenity will be possible. We will then know how we can discover the points upon which we can agree, and we will know how to deal with those matters about which we disagree.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] What happened in the southern suburbs a few days ago were battles which flared up once again. Does the solution which brought about the cease fire guarantee peace once and for all?

[Fadlallah] This is a stage of cooling things down in a quest for agreement and understanding. It seems to me that there are positive and encouraging developments for closing this file once and for all.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] When the Palestinian state was declared, attention turned to south Lebanon, the scene of regional conflicts. Do you expect the situation there to heat up?

[Fadlallah] South Lebanon is not necessarily the only hot spot, as far as the Palestinian decision is concerned. This is because Palestinian political activity, which is being carried out in more than one Arab enclave, is traveling over more than one international pothole. But Lebanon, we notice, is the place where we hear about the potholes. Lebanon is the place that is full of intrigue and of political and intelligence gathering enclaves. That is why Lebanon is like a respirator. It is a safety valve for the area's problems, and it is still functioning: it is a safety valve which has not yet been afflicted with malignancy.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] Is the withdrawal of Syrian observers from Sidon an indication of how dangerous the situation is in that area, or is it a prelude to contrived security incidents?

[Fadlallah] I wasn't able to look into this news report today and to study everything which led up to it.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] You are known for your intuition and for your ability to analyze matters and signals. You are thus able to sense problems before they occur. Where do you think the next trouble spot will be?

[Fadlallah] It may take a while before the effects of the explosions are dissipated. These explosions have been happening, and they have been heard by the owners of explosives plants in Lebanon. But it seems to me that some preparations are being made for the Palestinian

reality in Sidon. I also fear an Israeli action in the south. There is also talk about conditions which some parties want to bring up in some of the complications in the eastern area.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] Are there some details about what might happen there and how hot it is expected to get?

[Fadlallah] I cannot talk about details because I don't have all the parts of the picture yet.

[AL-NAHAR AL-'ARABI WA AL-DUWALI] Will the subject of the hostages come up again in conjunction with these events?

[Fadlallah] I don't think that this matter is related to that because this matter has been put on the back burner until those who are working behind the scenes complete their study of the facts affecting it.

## MOROCCO

### Commercial Bank Director Discusses Merger With ONA

45190026 Paris JEUNE AFRIQUE ECONOMIE  
in French Dec 88 pp 26-28

[Article including interview with Abdelaziz Alami, president and general manager of the Commercial Bank of Morocco, by Hassan Ziady, special correspondent: "Morocco: Strength in Unity"; date and place not given—first paragraph is JEUNE AFRIQUE ECONOMIE introduction]

[Text] The marriage of the ONA [North African Trading Company] and the BCM [Commercial Bank of Morocco] is a national economic milestone. As time for launching the privatization program draws near, everyone is wondering what strategy the two partners will pursue.

While Moroccan authorities are still trying to decide on the scope of the liberalization process and the extent of privatization, the local private sector has already thrown itself into the fray. Negotiations between local companies are under way, reconciliations have taken place, and others are in the works.

In all this ferment, the ONA has undoubtedly forged an early lead over all the other business consortia that seem so omnipresent in the Moroccan economy. The ONA, Africa's largest trading group, has purchased a sizeable block of shares in the BCM, the biggest private bank in the kingdom.

From all the evidence, Moroccan financial circles are still reeling in shock even though the initial surprise has worn off. Deals of this kind, even the most insignificant, often require secrecy to mature, and the merger of the ONA and the BCM was no exception. The first rumors started way back in June 1988. At the time people said

the ONA was going to buy 70 percent of the BCM's stock, and some went so far as to put forward the names of other big private banks that the "predatory" ONA intended to purchase. In reality, the deal went forward in two phases, and the secret was well guarded.

First, on 8 January 1988, a special BCM stockholders meeting authorized the board of directors to increase the company's capital at once or in stages, up to a maximum of 250 million dirhams (9.24 billion CFA francs), by partial incorporation of reserves.

By June this commonly-used procedure had produced a 50.8 percent augmentation of the bank's capital, which grew from 109.4 to 165 million dirhams. The ONA appeared on the scene only after this operation had been completed. The trading company had for some time expressed interest in gaining control of a major bank, one capable of supporting its irresistible drive to expand. Moreover, it was known that the BCM's largest stockholder—CIC-Paris [Industrial and Commercial Credit Financial Company], with 35 percent of the shares—was having problems, and the French bank, which suffered heavy losses in 1987, made no secret of its desire to unload a block of its BCM shares. Even though these shares had shown themselves to be quite profitable on the Moroccan market, potential buyers were in short supply, and the ONA very quickly emerged as one of the few private groups capable of financing such an acquisition.

Nonetheless, it is also true that Moroccan authorities have given their blessings to the ONA's takeover of the BCM. Mohamed Berrada, the minister of finance, openly favors the formation of international-class consortia capable of competing with the big European groups. In a recent statement Berrada in fact noted that "big groups are the channels for technical, organizational, and financial progress. They are capable of overseas initiatives that look ahead both to the Europe of 1993 and to the Maghreb; that is extremely important." He added "If we are going to disengage the state, we must clearly understand that only the giant firms can effectively stand in its place."

Since 1986, when Fouad Filali took the helm at the ONA, the holding company's volume of business has shown a marked increase, going from 6.3 million dirhams in 1986 to 6.9 million in 1987. In the current fiscal year it may top 8 million. Also the ONA, already by all accounts the leading private African firm (see our listings), has greatly extended its sphere of activity.

In addition to Paribas, the group has continued its diversification by acquiring interests in several large international enterprises, such as the Bolloré Technologies group, Bouygues, and even Club Med. It has acquired 10 percent of SCOA [West African Trading Company], which has a very high profile in Africa. The ONA is also the leading Moroccan investor in SOREAD

[expansion unknown], the company responsible for setting up the country's second [television] station, scheduled to begin in March 1989. The core of the holding company is the agrofood sector, which accounts for 71 percent of turnover, far ahead of automobiles (8 percent), textiles (5.6 percent), and mining (4.2 percent).

On the domestic front, the ONA was involved in two major deals in 1987. First, COSUMAR's [Moroccan Sugar Company] takeover of the public shares of Sugar Works of Doukkala and Zemamra for 79.7 million dirhams. Second, the 87-million-dirham augmentation of its capital by incorporation of reserves and subscription of shares in cash. The holding company's exports reached 515 million dirhams, accounting for 2.2 percent of Morocco's total external trade (compared to 1.8 percent in 1986), and, with 326 million dirhams in investments it is responsible for 1.2 percent of all gross capital formation in the whole kingdom. By itself the holding company accounts for 1 percent of Morocco's GNP, a fact which worries the country's other private companies. There is, for example, the risk that the ONA will no longer play by the rules, and will use its formidable logistics assets to crush its rivals, even potential rivals. Then again, in the future the ONA might exploit its excellent relations with the monetary and financial powers to secure governmental backing when enterprises are privatized.

It is true that the group cleared 350 million dirhams in operating profits in 1987, 35 percent more than the previous year. With the help of its abundant liquidity and strong position in the BCM, the ONA today seems determined to continue its rapid expansion.

Beyond this impressive strategy, it seems that we are now seeing in Morocco a complete restructuring of the economic landscape at what must be an important juncture for the country in terms of the Greater Maghreb and, even more importantly the Europe of 1993. Abdelaziz Alami, president and general manager of the BCM, agreed to discuss all these questions in an exclusive interview with JEUNE AFRIQUE ECONOMIE.

#### **'It Was the Best Solution for Our Bank...'**

The CEO of the BCM explains to readers of JEUNE AFRIQUE ECONOMIE why he signed the accord with the ONA and how he and Fouad Filali are preparing for the future.

[JEUNE AFRIQUE ECONOMIE] Merger, partnership, or takeover? What really happened between the ONA and the BCM last September?

[Abdelaziz Alami] What happened in September had already been under way for several months. Originally there were two elements: on the one hand CIC [expansion unknown], the principal shareholder of the BCM (35 percent of the stock), wanted to divest part of its holdings for its own reasons. On the other, there was a

more personal factor, a certain chemistry between president Filali, a very brilliant young man whose accomplishments as head of the ONA have been prodigious, and myself, an aging young man of 51. We decided to do something together, and I proposed filling in for CIC, which even now owns more than 10 percent of the stock.

[JEUNE AFRIQUE ECONOMIE] How is the BCM's ownership distributed today?

[Abdelaziz Alami] The ONA has 25 percent, no more no less; CIC a little more than 10 percent, about the same percentage as the Mamda group; Deutsche Bank owns close to 7 percent; the rest is divided among Moroccan institutional investors (27 percent). There are also the small shareholders, both Moroccans and foreigners, amounting to a little less than 20 percent. BCM stock is quoted on the Casablanca Exchange and traded in the over-the-counter market in Paris. Finally, a rare phenomenon in Morocco: the employees own 0.55 percent. ONA is thus not the majority shareholder, nor does it have a blocking minority (33.3 percent).

[JEUNE AFRIQUE ECONOMIE] There is nothing to prevent the ONA from acquiring that notorious blocking minority, by means of market purchases or increasing its capital.

[Abdelaziz Alami] People have said this, because they believe the ONA is ruled by an appetite for power and monopoly. It is not my place to defend the ONA, but in any event, none of that has anything at all to do with the BCM. The ONA does not expect to go beyond 25 percent.

[JEUNE AFRIQUE ECONOMIE] What guarantees do you have?

[Abdelaziz Alami] The BCM plans to offer several more issues of new stock over the course of the next few months, and one of these issues will be reserved for new partners. We have in mind specifically a Spanish bank, an Italian bank, and a bank in southern France.

The main thing for us is to develop a partnership arrangement that is based in southern Europe, in addition to northern Europe. After these issues, the ONA's share will be about 20 to 21 percent.

[JEUNE AFRIQUE ECONOMIE] Does the ONA agree with this strategy?

[Abdelaziz Alami] Absolutely!

[JEUNE AFRIQUE ECONOMIE] How are the BCM's other shareholders reacting?

[Abdelaziz Alami] CIC, as the seller, is for its part very happy that I found it a buyer as substantial as the ONA. The Deutsche Bank has not reacted badly.

[JEUNE AFRIQUE ECONOMIE] It would seem that some of the BCM's clients, especially the companies, might be upset about the ONA getting into the picture.

[Abdelaziz Alami] Obviously the news caused some surprise. Perhaps I should have prepared the public, especially my clientele. But any deal of this kind is prepared in secret. Such transactions by their very nature have to come as a surprise.

[JEUNE AFRIQUE ECONOMIE] Let's go back to the takeover. Why did you not turn to the Casablanca Stock Exchange?

[Abdelaziz Alami] When the CIC said it wanted to disengage, we did in fact consider the Casablanca Exchange. We even thought about bringing in more institutional investors, or encouraging the entry of consortia of less impressive stature than the ONA. But they would have been contributing virtually nothing to the BCM. Certainly, in terms of freedom of action, it would have been safer for me to dilute the ownership rather than have to deal with a shareholder of reference that not only has 25 percent ownership but is powerful in its own right as well. But I have never chosen the easy path. What we are concerned with is the future of the BCM as an institution, and I think that this was the best solution for our bank.

[JEUNE AFRIQUE ECONOMIE] What did the deal cost?

[Abdelaziz Alami] There is nothing to hide. The 25 percent was negotiated on the basis of one-fourth of the net book value. That is, 125 million dirhams (4.6 billion CFA francs).

[JEUNE AFRIQUE ECONOMIE] Is your merger with the ONA part of a long-term strategy that takes into account prospects for the Greater Maghreb and the Europe of 1993?

[Abdelaziz Alami] You are right to refer to it as a merger, because while the ONA has bought up 25 percent of the BCM's stock, the BCM in turn is going to acquire 10 percent of the ONA's stock within 1 or 2 months. What we are talking about is a merger of two institutions of comparable size, but for what purpose? Basically it developed from a fortuitous event (the CIC withdrawal), and an intuition (my understandings with Filali). But if the ONA paid "top dollar" for this acquisition, it was not merely to make an investment, especially since it is not merely an investment company. And the idea that it just wanted to acquire a banking house is too simplistic to suggest, even as a whisper. The ONA had no need to buy the BCM to get its services; our bank was already its partner. In truth, if I sought out the ONA when other solutions existed, it was because we wanted to put together a solid consortium, in the conviction that we could make a major contribution to the Moroccan economy.



[JEUNE AFRIQUE ECONOMIE] Do you think the creation of such groups is a good thing for the Moroccan economy?

[Abdelaziz Alami] I think it is, because things are changing fast. One might say that Morocco has completed an initial phase wherein development was stimulated partly by the state and partly by private entrepreneurs. But the investments are getting bigger and more complicated, and the state wants to disengage. Under these circumstances, only big groups—those already formed and those to be formed in the future—can take the state's place.

[JEUNE AFRIQUE ECONOMIE] That leads us to speak of privatization. Your partnership worries Moroccan financial circles because of the financial standing you command.

[Abdelaziz Alami] I think that I will surprise you, and this is a scoop for your readers. Neither the ONA alone, nor the BCM alone, nor the two together, intend to be involved even at a distance in these long-awaited privatizations.

[JEUNE AFRIQUE ECONOMIE] Why?

[Abdelaziz Alami] We think that we have better things to do together. We want to explore new horizons, to start new ventures rather than keep old ones going. We want to bring in both domestic and international capital, and also new technologies, new management techniques.

We want to get involved on a grand scale in highly "capitalistic" ventures, the kind that call for very sophisticated technologies and require a very big capital investment. We hope to get very big foreign consortia to participate, and only a structure like the ONA-BCM partnership can do that.

[JEUNE AFRIQUE ECONOMIE] Is the BCM going to transform itself into a sort of super merchant bank?

[Abdelaziz Alami] No. I absolutely reject that idea. In years to come the ONA-BCM consortium is going to be the premier merchant banking group. The BCM itself will remain first of all a national bank with a network that covers the entire country, and with clientele representing all sorts of business concerns, not to mention private individuals. It will continue to hold deposits and extend credit to its clients. The BCM will use its know-how to help the ONA develop into a major business group. That's all.

[JEUNE AFRIQUE ECONOMIE] Is there a risk that synergy with the ONA will take precedence over your other activities?

[Abdelaziz Alami] No, because neither Fouad Filali nor myself want that. It would be dangerous for things to evolve that way. The monetary authorities of this country keep their eyes open for things like that, and would not permit it. Within the overall framework we will each do what we know how to do.

[JEUNE AFRIQUE ECONOMIE] You said that you were attracted to southern Europe. Do you have any plans for southern Saharan Africa?

[Abdelaziz Alami] It's not out of the question, and probably in that region the BCM will hitch its wagon to the ONA, which has acquired an interest in SCOA. That very special instrument is today in a delicate condition, and the ONA will have to restructure its management. Incidentally, the BCM will also be able to play a part in supporting Moroccan exports. We will keep a low profile in those regions, but it is possible we might acquire an interest in some of the banks operating in those countries.

## OMAN

### Cabinet Reshuffling Reviewed

44000291 Muscat *UMAN in Arabic* 17 Jan 89 p 1

[Text] His majesty Sultan Qabus Ibn Sa'id issued four royal decrees as follows:

Number 14/89 for reshuffling the cabinet.

Number 15/89 for appointing a special advisor to his majesty the sultan.

Number 16/89 for appointing a secretary general to the ministry of defense.

Number 17/89 for appointing officials at the foreign ministry. Decree number 14/89 stipulates the following:

Article 1: Al-Mu'tasim Ibn Hammud al-Busa'idi is appointed minister of state.

Article 2: Malik Ibn Sulayman al-Ma'mari is appointed minister of housing.

Article 3: Dr. 'Ali Ibn Muhammad Ibn Musa is appointed minister of health.

Article 4: The decree is to be published in the official gazette and becomes effective as of the date of publication. Issued 16 January 1989. Decree number 15/89 stipulates the following:

Article 1 : His excellency Dr. Mubarak Ibn Salih al-Khuduri is appointed special advisor to his majesty the sultan.

Article 2 : The decree is to be published in the official gazette and becomes effective as of the date of publication. Issued 16 January 1989.

Decree number 16/89 stipulates the following:

Article 1: Sayf Ibn Hamad al-Batashi is appointed secretary general at the ministry of defense with the rank of minister.

Article 2: The decree is to be published in the official gazette and is effective as of the date of publication. Issued 16 January 1989.

Decree number 17/89 stipulates the following:

Article 1: Harib Ibn Hamad Ibn Sa'ud al-Busa'idi is appointed undersecretary for administrative and financial affairs at the foreign ministry.

Article 2: 'Abd-al-'Alim Ibn Mustahil Ibn Rakhyut is appointed ambassador at the headquarters of the foreign ministry.

Article 3: The decree is to be published in the official gazette and becomes effective as of the date of publication. Issued 16 January 1989.

#### **Social Affairs Ministry Describes Training, Development Programs**

44040178a Muscat 'UMAN in Arabic 10 Dec 88 p 2

[Excerpts] His Highness Shaykh Mustahil Ibn-Ahmad al-Ma'shani, minister of social affairs and labor, stated that the course of society in the sultanate during the past 18 years has relied on the firm foundations of belief in God and the dignity of man and on this nation's intrinsic values and its important role in the mobilization of resources.

In a conversation with OMANI NEWS AGENCY, his highness said that the Ministry of Social Affairs and Labor, out of its belief in giving concrete form to the leader's concept regarding the process of building, development, and advancement of the people of Oman, has worked within the context of the general policy of the government to realize the goals assigned to it to bring about the welfare and prosperity of the nation and the citizen, adopting the scientific platform in setting out its programs' ambitious plans and activities.

He added, "The ministry has been able to influence society, have a profound connection with it through the deployment of development projects which personal efforts have established in cooperation with the ministry, provide organized, social security available to everyone entitled, the number of cases of which came to 26,000, and guarantee equal coverage to citizens in each case, especially during their exposure to disasters, since urgent efforts are made to assist them as soon as they occur and offer them financial and material aid."

His highness the minister of social affairs and labor stressed the attention the ministry is giving to manpower so that it can contribute amply to the development of revenues and the improvement of the standard of living, since it is possible for development goals to be realized or for its effects to appear only by means of competent people who have high qualifications in all fields.

#### **Educating Omanis**

He said, "The sultanate, representing the Ministry of Social Affairs and Labor, has been intent upon educating Omanis on the basis of developed modern scientific and technological fundamentals, within the framework of the goals through which we seek to prepare an adequate quantity of domestic manpower in the various groups, vocations, and specializations which are necessary and which are relied upon for carrying out the economic development programs and for guaranteeing training for every citizen who wants to ensure his future by increasing his productive capabilities."

His highness added, "There are a number of studies for developing and supporting the training programs to educate young Omanis and raise their technical and productive competence, and there are a number of recommendations presented to the Council of Education and Vocational Training, among them the need to provide grants to train young Omanis on the job for a specified period after their appointment, to be financed from receipts of vocational training contributions, in order to have them gain expertise and raise their productivity. The recommendations also include reducing the portion of the contribution required of employers who, through their vocational training programs, achieve high averages in employing and training citizens, while offering them favorable terms for obtaining loans from the Development Bank, giving preference to the bids tendered by them, giving preference to their products in government purchases, and so forth." [passage omitted]

#### **Omanizing Positions**

Concerning the role the Ministry of Social Affairs and Labor is playing with respect to the Omanization of positions in the private sector and replacement of foreign labor by domestic personnel, his highness the minister of social affairs and labor said, "The efforts exerted in this regard can be broken down into four distinctive, balanced approaches. The first approach has the goal of preparing and training citizens to be productive individuals in the workforce and providing them with general and specialized know-how and the vocational skills desired to meet the labor market's requirements for trained domestic manpower."

He added, "The second approach has the goal of realizing the optimum use of the domestic workforce in order to substitute it gradually for the immigrant workforce in the private sector installations and vital centers of production. The third approach has the goal of scientific

workforce planning to cover the requirements of the private sector. As to the fourth sector, that has the goal of setting out rules and regulations organizing the importation of immigrant labor."

His highness pointed out that the ratio of domestic labor's contribution to the output of the workforce operating in the sultanate rose in 1987 by about 10 percent over its level in 1986 in spite of the economic conditions the region has been experiencing. He affirmed the importance of the coordination existing between the programs of the Ministry of Social Affairs and Labor and the other ministries for developing the domestic workforce and private sector institutions.

His Highness Shaykh Mustahil Ibn-Ahmad al-Ma'shani referred to the role the Ministry of Social Affairs and Labor is playing in preserving traditional national crafts, continuing the training of young generations in these crafts, raising their technical level, and giving attention to the training of female personnel to perform this task.

His highness stated, "The ministry has established training centers in some regions of the sultanate such as the 'Ayn 'Umq center in al-Rustaq Province and the al-Khaburah center in al-Khaburah province for training in the textile and wool industry. The ministry has also set up women's centers for training in the sewing, tailoring, and weaving of Omani clothes." He referred to the ministry's helping producers market their products by opening retail outlets domestically and abroad. The ministry has opened a permanent exhibit for Omani craft products in the Sabco commercial center, and it organized the first craftsmen's month last November.

Concerning social care, which has received great attention on the part of the wise leadership of His Majesty Sultan Qabus Ibn-Sa'id, and the field of social security, which is considered the most prominent aspect of this care, His Highness Shaykh Mustahil Ibn-Ahmad al-Ma'shani said, "The sultan's lofty act of generosity, which his majesty was so generous as to have include persons and families entitled to social security pensions through the lofty sultan's Decree No 83 for 1988, has had its profound effect in supporting the progress of social work in the territory of the sultanate. The sultan's decree calls for an increase in the minimum social security pension, from 25 Omani riyals to 20, as well as an increase in the maximum for this pension from 60 Omani riyals to 45 Omani riyals."

He added, "Social security has provided the Omani citizen with insurance for his present and future through social coverage which guarantees that he can cope with the social or living circumstances that impede the course of his life. This program has included groups which have been deprived of a committed provider and lack an adequate income for living, such as widows, orphans, divorced women, the families of prisoners, unmarried girls, and indigents, as well as other aid, including helping them in the introduction of electricity and water,

the repair of their homes, and the provision of shelter suitable for them, for groups whose circumstances prevent their ability to earn a living. The number of families benefitting from the social insurance program since the beginning of its application in 1972 is 26,211.

## SAUDI ARABIA

### Saudi Trade Surplus Up 31 Percent to 15bn Riyals

44000238 Manama GULF DAILY NEWS in English  
4 Jan 89 p 15

[Text] Riyadh, (DPA): Saudi Arabia's balance of trade surplus registered a 31 percent increase in 1988 to reach 15.122 billion riyals, the ministry of finance and national economy reported yesterday.

Exports were placed at 95.675 billion riyals while imports registered a 7 percent rise to 80.553 billion riyals, the report said.

The overall increase in exports, mainly crude petroleum, was 10 percent. But non-petroleum exports also registered a very strong growth of 45.8 percent in comparison with 1987.

The report gave some details on the breakdown of expenditures of 141 billion riyals envisaged in a 1989 deficit budget which was announced on Monday.

Spending on development of human resources including education rose by 10 percent to 24 billion riyals. This is the largest single allocation next to defence and government salaries.

The only other increase in spending was in the sector of health and social development, which registered a 7 percent rise to 10.55 billion riyals.

Allocations for municipal services were slashed by 29.6 percent, to 5.42 billion riyals.

Those for local subsidies were sheared by 11.7 percent to 5.325 billion riyals.

Meanwhile, the Custodian of the Two Holy Mosques, King Fahd, yesterday said Saudi Arabia may have to borrow from banks to offset its budget deficit.

King Fahd also said that no devaluation of the Saudi riyal was envisaged.

"If the state has to borrow from banks, the state will enable each citizen to enjoy all privileges due him," the monarch said.

Saudi Arabia's budget calls for deficit spending of 25 billion riyals—a one-third reduction in comparison with the previous year, according to figures published on Monday.

King Fahd urged other members of Opec to stick to their quotas in order to ensure oil price stability.

## SUDAN

### Deputy Blames Situation in Kasala on Official 'Negligence'

45040146 Khartoum AL-RAYAH in Arabic  
13 Nov 88 p 8

[Interview with Deputy Shaykh Hamid Kafu by 'Umar Bashir: "Kasala Is Dying; Drugs Are Sold and We Have Proof"; in Khartoum, date not given]

[Text] Shaykh Hamid Kafu is one of the people's most distinguished deputies in tackling the people's concerns and problems. With his simple appearance, he arrived among us carrying the Sudanese countryside's aspiration for a better life. His visit to AL-RAYAH, during which we conducted this interview, is one of the many trips he has made in his ceaseless effort to serve his country and District 192, Rural Kasala.

[AL-RAYAH] To begin, we asked him: How is your district doing?

[Kafu] The district population suffers from all kinds of central and regional negligence. No official other than Professor Rashidah has visited the area.

[AL-RAYAH] What are the most distinct features of this suffering?

[Kafu] First, thirst. Despite our efforts with the director of the Water Supply Authority which culminated in drilling 6 artesian wells in the area, we have not been able to get pumps or tanks for the wells from either the government or from charitable organizations.

When the area experienced severe starvation, only the Saudi (Red) Crescent and the Alms Bureau offered us aid. 'Umar Yasin, the Islamic World Organization representative, has donated 1,000 sacks of corn. But to date, we don't know what has become of this corn. After bitter exhaustion, a delegation from the district came to the capital. We met with officials of the Islamic Front and contacted the Ministry of Trade. The minister of trade supplied us with 5,000 sacks of flour and 1,000 sacks of sugar. Some hired newspapers launched a totally unjustifiable attack against us. The minister of health also supplied us with some drugs. However, some sick partisan souls and health officials did not dispense the drugs in a manner that serves the citizen. We urge the press and all the investigative authorities to go to our district, Rural Kasala, so that the facts may be uncovered and the tendentious may be given a practical answer.

[AL-RAYAH] Kasala is experiencing poor health conditions?

[Kafu] Yes. As I have already said, we got drugs from the minister of health. The truth is that there are no health services to meet the urgent need. There has been major tampering insofar as the drug issue is concerned. We have evidence proving that drugs are being sold on the black market.

[AL-RAYAH] With what has your district emerged from this year's fall?

[Kafu] Even though the fall has been successful, this district's citizen continues to be as he was prior to the fall and he has not benefited from the season because the state failed to provide the farmer who had just emerged from years of drought with the agricultural services that help to make the fall season successful.

[AL-RAYAH] Kasala suffers from flawed security balances. What do you say in this regard?

[Kafu] This is true. Every citizen there asks about an effective governmental presence. The security authorities in the district have failed to control entries into and exits from Kasala. Weapons and alcohol are smuggled into the city through the area of (Kitay) and Wad Sharifi. Colonel Muhammad Sayyid had established in the past a checkpoint which was able to control the wrong and suspicious practices. But the checkpoint was removed from the highway concerned and transferred to another site. Consequently, the door has been reopened for everything we apprehend.

[AL-RAYAH] There are those who say that the official and popular foreign presence has begun to influence the local decision-making in various positions. How true is this?

[Kafu] It is completely true, and it has intensified the problems and their impact on the citizens' life. This influence is a natural result of the absence of honest and clear decision-making by Kasala's local authorities. There is no better proof of this than the fact that the local authorities have approved recommendations for the construction of churches and crusader schools. In our assessment, this means practical entrenchment of the foreign presence. We don't know in whose interest all this is happening. I fear for the identity of the Sudanese citizen in this area. They have begun to deface this identity in varied ways, not to mention the instability caused by this growing and suspect presence.

[AL-RAYAH] Have you not advised the Kasala local authorities by virtue of your parliamentary position?

[Kafu] To be frank, there might be some reservations because if one holds a private meeting with any authority there and expresses an opinion, one will find what he says at the meeting already circulating in the street before one leaves the meeting.

[AL-RAYAH] How do you view life in the refugee camps and what positive or negative influences do the camps have on the area's citizens?

[Kafu] To be frank, we have found nothing positive in our dealings with the refugees or even with their administration. As for the negatives, they are countless, especially in the religious aspect and in the refugees' traditions, which are different from ours. It is not one of our customs for a man and a woman with no legal bond tying them to share the same bed as the refugees do at the refugee hospital in Wad Sharifi, and one can add an endless list to such customs. We had never experienced thefts in the area whereas now people are exposed daily to thefts, looting and plundering acts, and to assaults on life.

[AL-RAYAH] There are those who doubt the intentions and movements of the organizations connected with aid. What are the reverberations of these doubts?

[Kafu] The presence of a permanent refugee camp in Wad Sharifi will cause a major moral and security catastrophe for Kasala and Rural Kasala. The Refugee Administration set up this camp for what was to be a few hours and it has now turned into a famous camp where all kinds of immoral acts are committed. We hold the central and regional officials responsible for perpetuating this camp and turning it into a fait accompli. The first to be harmed by this camp are the area's citizens, their agriculture, their pastures, their security, and their health. The area's citizen has almost become an alien on his father's and forefather's land.

#### **Statement by National Islamic Front Rejects Peace Agreement**

45040141b Khartoum AL-RAYAH in Arabic  
20 Nov 88 pp 7-8

[Article: "In the Name of God, the Merciful, the Compassionate: A Statement from the National Islamic Front in the Capital: Why We Reject the Capitulation Agreement."]

[Text] The National Islamic Front [NIF] supports every earnest plan for peace because it wants to live up to its principles and it wants to stop the bloodshed in the south. The NIF wants to push the movement for development and production forward, and it wants to save the country's material and human resources. At the same time the NIF rejects capitulatory plans to which we would be held hostage.

While the brave heroes of our armed forces are deprived of their lives by the treacherous and disloyal gunfire of the agent Garang in southern Sudan, the Democratic Unionist Party [DUP] leadership is voluntarily flying to Addis Ababa with their heads bent, their feet bare, their gaze fixed to the ground, and their pride and support gone. While our soldiers are being showered with artillery fire and bombarded by shells which burn vegetation,

destroy public facilities, orphan children, widow women, and render families homeless, leaders of the DUP are beating a path to the doorstep of the agent Garang. They are signing the terms of surrender for a fistful of dollars. The herdsman can then go on living in his imposing castle while the brave men of our armed forces' infantry suffer under bombardment and artillery fire in the plains and jungles. "There are some men whose views on this life please you: they even call on Allah to vouch for that which is in their hearts; whereas in fact they are the deadliest of your opponents. No sooner do they leave you than they hasten to commit evil in the land, destroying crops and cattle. Allah does not love evil" [Koran, Surat al-Baqarah: 204-205].

Why did the capitulation agreement coincide with the question about the application of Islamic laws, which is now very close to being ratified? Who is this "slinking prompter" [Koran, Surat al-Nas: 5] who prompted leaders of the DUP to accept the Koka Dam agreement after they had already rejected it? Who are the hostile foreign forces holding this party hostage and finding pleasure in interfering with Sudan's domestic affairs? Who is the fifth columnist that became the architect of the capitulation agreement? Why is it that all the forces of atheism and secularism in our country—Communists, Ba'thists, Pan-Arabists—whether genuine Arabs or Arabists—the scattered remnants of racist and polytheistic parties, and secularists who infiltrated traditional parties—are standing behind the capitulation agreement and defending it? "Indeed, he that chooses Satan rather than Allah for his protector ruins himself beyond redemption. He makes promises and stirs up in them vain desires; he makes them promises only to deceive them" [Koran, Surat al-Nisa': 119-120].

We in the NIF reject the capitulation agreement without reservations. We reject it because we want a peace agreement which is based on truth and justice. "Take heart and do not despair. Have faith and you shall triumph" [Koran, Surat al-Imran: 139]. We reject the capitulation agreement because it delays the implementation of the canonical laws of Islam and stays the execution of God's remaining divine statutes. "These are the bounds set by Allah; do not transgress them" [Koran, Surat al-Baqarah: 229]. We reject the capitulation agreement because it dilutes the truth about the Islamic approach; it disputes the authority of Almighty God; and it transgresses against legitimate authority. "It is not for true believers—men or women—to take their choice in their affairs if Allah and His messenger decree otherwise" [Koran, Surat al-Ahzab: 36].

We reject the capitulation agreement because it robs the people of their wishes. The people's representatives had expressed their wishes in their legislative assembly when they showed their absolute support for the question of God's divine statutes. They requested prompt ratification of these laws, and they declined to delay that matter until the so-called constitutional conference is convened.

We reject this agreement because it disregards the people's legitimate wishes, the wishes which allowed more than 221 representatives to win seats in the legislative assembly based on their support for the canonical laws of Islam. We reject the agreement so as not to subject our representatives to charges of religious dissension and failure to keep their word. Our representatives had sworn their loyalty to the laws of God, and they had taken sacred vows to uphold these laws. "Those that swear fealty to you swear fealty to Allah Himself. The Hand of Allah is above their hands. He that breaks his oath breaks it at his own peril" [Koran, Surat al-Fatihah: 10].

We reject the capitulation agreement because it is an unequivocal recognition of the rebellion. This agreement encourages every renegade and rebel to carry weapons against our armed forces, especially now when the agent, Garang 2, is in Zaire getting ready and awaiting the results of the Garang 1 talks. He has prepared his militias and coordinated with his clients so he can play the same dirty role. We reject this agreement because we want to put an end to anyone who even thinks of toying with the country's capabilities, security, and stability. "Fight against them until idolatry is no more and Allah's religion reigns supreme" [Koran, Surat al-Baqarah: 193].

We reject the capitulation agreement because it betrays our armed forces and our devoted martyrs. How can we lift the state of emergency in the south when Israeli troops are fighting side by side with agent Garang's troops? How can we stop training and qualifying our armed forces when foreign countries are dedicating all their capabilities to train and prepare the rebels? How can we sacrifice the lives of our own armed forces for a false and an alleged peace? How can we let our armed forces on the scene sleep with bullets flying over their heads? How can we let them be showered with bombs? How can we let them give up their lives one after another while we sit in air-conditioned conference rooms, fleeing from all this and rubber-stamping agreements of capitulation, shame and dishonor? "Believers, when you encounter the armies of the infidels do not turn your backs to them in flight" [Koran, Surat al-Anfa, 1:15].

We reject the capitulation agreement because it politicizes our people's armed forces and breaks up their unity and solidarity. How can we accept 50,000 rebels into our neutral, national institution as members of our regular forces? We are not denying the people of our own country admission into their armed forces, but we will not allow anyone within the military establishment to have loyalty to anyone but God and the country. We thereby reject the notion that partisan, racial, and sectarian loyalties can be the way to build our armed forces. We don't want our country to go through the infernal turmoil which Lebanon went through and which destroyed the unity of the Arab and Islamic people in the fraternal country of Lebanon.

We in the NIF strongly and unequivocally reject the capitulation agreement, Koka Dam 2. We reject this agreement on the basis of our unswerving attitude toward Islam and peace. We reject it out of our sense of national responsibility in this critical situation which our country is going through. We reject it out of a sense of affinity with the souls of all those who died in battle. We reject it because of our sense of kinship with the handicapped who paid their dues and gave up their limbs as a small price to pay to defend their honor and their land. We reject the agreement because we believe in engaging in talks without any preconditions. We reject the agreement because we reject all kinds of foreign intervention in our country and because we want to keep our people's armed forces strong, national, and independent. We reject all claims that are being made about the alleged peace because this peace "is like a mirage in the valley: a thirsty man thinks he has found water, but when he approaches it, he finds nothing."

We in the NIF are asking the National Ummah Party to speak more clearly and more unequivocally about the capitulation agreement. We are asking the party to reject or accept the agreement. The time for coyness and dalliance has come to an end, particularly since the party's parliamentary caucus did make a commitment to the NIF that application of the canonical laws of Islam would take place promptly.

We in the NIF are appealing to every Muslim who cares about his religion and every patriot who cares about the unity of his country. We are making a special appeal to our fellow countrymen in the unity parties in the south who refused to pledge their wills to hirelings and mercenary forces. We are appealing to all those people to unite and form one rank to reject this shameful agreement positively and effectively.

With this statement, we are reminding the leaders of the DUP, who claim to be calling for an Islamic Republic, to review their position before it is too late. We are asking them to bear in mind what God Almighty said, "Of this you have been heedless. But now we have removed your veil. Today your sight is keen" [Koran, Surat Qaf: 22].

Our letter is addressed to the Muslim general membership of the DUP. We are asking members of that party to purge their ranks of secularists who infiltrated their midst because "Their hatred is clear,...but more violent is the hatred which their breasts conceal" [Koran, Surat al-Imran: 118]. Remember what God Almighty said about this kind of people. "Had they taken the field with you, they would have only added to your burden. They would have wormed their way through your ranks, seeking to sow discord among the faithful: and amongst you there were some who would have gladly listened to them. Allah knows the evildoers" [Koran, Surat al-Tawbah: 47].

In conclusion, we caution anyone who might contemplate taking any action to save this unjust, capitulatory plan that God's threats will come to pass. "Do whatever lies within your power, and so shall we. Wait if you will; we too are waiting" [Koran, Surat Hud: 121-122].

God is Great. May cowards know no sleep!

The NIF in the national capital.

### **Agency Strives To Promote Mechanization in Agriculture**

45040155 Khartoum AL-AYYAM in Arabic  
12 Dec 88 p 4

[Article by al-Sirr Ibrahim: "Toward Complete Agricultural Mechanization of Project"]

[Text] The al-Jazirah Project's Agricultural Engineering Agency is a specialized agency concerned with implementing the agricultural mechanization that answers the challenges of agricultural expansion in the project. It works in coordination with its sister engineering agencies and with the agricultural administration to carry out its assigned duties.

The present Agricultural Engineering Agency is a natural product of amalgamation between the old Barakat Agricultural Engineering Agency, which was responsible for research and development in the field of agricultural vehicles and equipment, equipment modifications to suit the conditions of al-Jazirah, and field testing of new equipment, with the al-Hasahaysa Plows Department (part of the Mechanical Engineering Agency) that was founded in 1912, when the Sudanese Agricultural Company began growing cotton at the Taybah office using pumps. This agency implements mechanized agricultural operations at the production level. It began with steam engines, then used McLaren, Massey Harris, Vickers and finally Caterpillar diesels. Its headquarters was moved to al-Hasahaysa.

Afterwards, a trained management was selected to guarantee its success, and a complete structure was established for it to satisfy the ambitions of the employees. It includes three principal departments: the Soil Preparation Department, the Vehicle Operation Department and the Mechanized Agricultural Operations Department. Because the private and cooperative sectors perform a number of agricultural operations independently—wheat harvesting, for example—the department has successfully created a new department—the Private and Cooperative Sector Department—because of its faith in the important role this sector plays and out of a desire to guide and inform the sector in the acquisition of the best tools to carry out agricultural operations in accordance with specifications required in the field. AL-AYYAM went to Mr Ahmad Musa, the agency's director in al-Hasahaysa, to ask him about the role of the Agricultural Engineering Agency in agricultural mechanization operations. He said:

### **26 Mobile Teams**

"In addition to our responsibilities for project administration vehicles, the agency operates machines at cost in order to carry out the yearly programs assigned to it. These include various sorts of soil preparation for the cotton crop and other agricultural operations right up to the harvest of various crops. The agency keeps these machines running efficiently and performs preventative maintenance and minor field repairs on agricultural machines and equipment. Twenty-six mobile teams work in the field. The agency also offers necessary technical advice on agricultural mechanization to the public and private sectors."

### **Type and Amount of Work**

We asked Engineer Ahmad about the amount of work done by the agency. He answered, "The Agricultural Engineering Agency carries out various kinds of soil preparation operations for cotton—deep plowing to a depth of 9-12 inches by a subsoiler or a 3- and 5-disk plow, and then leveling by a following disk harrow. It opens large irrigation channels for all crops, including the forests within the irrigated area in al-Jazirah. It sprays herbicides, scatters green manure for the cotton crop, harvests peanuts, pulls up cotton stalks by machine, etc.

It should be noted that the area embraced by the agency's activity increases year after year.

Mr Ahmad went on to say, "Soil preparation for cotton takes place a year before planting. During the last two seasons, the agency has begun to concentrate more on improving preparation procedures by expanding leveling operations that help create a good bed for the plant. The leveling machine has been introduced to open hardened soil layers as a basic procedure for the cotton crop."

### **Modernization and Development**

Speaking about modernization and development, Mr Ahmad Musa said, "Before going into the modernization and development program, one might set out the facilities that were available to the agency, particularly after implementation of the first relief program of the World Bank loan:

Type of Machine	Number
Caterpillar tractors for special deep plowing	70
Caterpillar tractors for digging the irrigation channels (al-Namusah)	12
Medium tractors, 140-150 horsepower	90
Light tractors, 70-80 horsepower	250
Mounding plows	200
Fuel tankers	20
Service trucks	20

"In the modernization and development program that began in 1985, \$16 million have been earmarked for agricultural machines and equipment. The aim of the program was to stop the deterioration that has been associated with most of these machines, since the assumed life of most of them has ended, and they need replacement or upgrading if they are kept. Despite a severe shortage of spare and replacement parts, work has not stopped, nor have areas been withdrawn due to a shortage of this agency's machines. Credit for this is due to the efforts of the agency's employees. As a result of modernization and development, many machines in the agency's fleet have, in fact, improved. A considerable number of light tractors (70-80 horsepower) have been replaced. Replacement of some Caterpillar tractors and other agricultural equipment will follow.

#### **Increase of Prepared Area**

"Due to development and modernization, areas prepared with the 3-disk plow have increased from 32,000 feddans to 60,000 feddans. Areas prepared with leveling have increased from 155,000 feddans to 201,000 feddans. For the coming season of 1989-90, there is great hope of increasing this important agricultural procedure, which is proposed to include no less than 300,000 feddans.

"This season should be the beginning of a real surge in the work of the Agricultural Engineering Agency, due to expansion of the land preparation program and the planting of wheat in the project. In regard to the latter, proper scientific soil preparation and planting are considered to make the difference between high and low yields. In this area, the agency is now making a serious effort to prepare 60,000 feddans and to plant 30,000 feddans by machine."

Mr Ahmad stressed the importance of the role of the agricultural engineer as a pillar of these operations.

Mr Ahmad concluded his remarks with an expression of his overall vision:

"The al-Jazirah Project (with the al-Manaqil extension) is the cornerstone of the country's economy. It is unthinkable that it should remain at the mercy of the vagaries of traditional means of labor. Thus the challenges of agricultural expansion in it, whether horizontal or vertical, must be confronted by means of comprehensive agricultural mechanization. Carefully programmed plans must be made for maximum use of the machines we have and that are available from the development and modernization program. We must work with the responsible agencies to implement modern agricultural engineering systems that have increased productivity in the developed countries that have preceded us in this area, thereby helping to solve much of the labor shortage and the difficulty of dealing with short agricultural

seasons. Agricultural procedures must be carried out according to careful scientific specifications, which are feasible only through the implementation of complete agricultural mechanization.

"Like all other countries of the world, we are now oriented toward the use of tractors as a pulling force, along with attachments. This will lower expenditures and at the same time provide excellent and rapid performance. Since taking over this responsibility, we in the Agricultural Engineering Agency have been calling for opening the field of education and training in the proper use and care of these machines, so as to ensure qualified personnel in step with modern technology and its employment in the project. These interests will occupy a large area of the agency's thought and effort in the future."

Mr Ahmad Musa ended his remarks as follows: "I must not forget to say that all these important and continuing agricultural operations are being carried out by Agricultural Engineering Agency employees—particularly those unknown soldiers who live in tents and travel from place to place in the al-Jazirah Project and the al-Manaqil extension for 10 months a year, enduring tedious, uninterrupted, and exhausting labor, and living a frugal existence. My personal opinion is that no one in the other agricultural agencies equals them in toil, suffering, and hardship, whatever the circumstances of their fellow workers. Since assuming responsibility, we have been establishing intensified programs to solve their problems, because we believe strongly that the human element is the basic foundation of modern production."

#### **Report Calls for Solution to Housing Shortage**

*45040141a Khartoum AL-RAYAH in Arabic  
22 Nov 88 p 4*

[Text] SUNA—Since very early times, man's need for housing or shelter to protect him from certain environmental and natural hazards has been considered one of the oldest human needs. Man's need for shelter dates back to the days when he roamed the earth searching for food. Man used to find shelter in caves and more secure locations where he spent some time in peace and quiet. He would then move on in accordance with living and security conditions.

In Sudan today, owning a home in the nation's capital or in the country's major cities has become everyone's dream. Although man is entitled to housing, housing costs are rising every day, and it is now difficult for most people in the world to get it. UNESCO statistics indicate that 8 billion people in the Third World could die because of the poor conditions under which they live.

#### **What Is the State Doing?**

Everyone knows how high the prices of construction materials are. In addition, prices for residential lots at the present time are also high.



A study prepared by the Housing Administration shows that in spite of the state's efforts to solve the housing shortage—the state has been building public housing since 1954—these efforts did not last for several reasons. One of them is that financing is not available. A report prepared by the Housing Projects Administration in the Ministry of Housing and Public Utilities indicates that the state's resources are now limited. The report indicated that the state used more than 2 percent of national revenues for housing requirements, even though the United Nations recommends that no less than 5 percent of a state's revenues be used for public housing. Therefore, the state has to find alternative ways to finance these projects. It could join local and foreign investors in housing projects, and it could make maximum use of its institutions, which could play a major role in that regard. Public housing projects can be financed by the state from bank surpluses, from social insurance funds, from pension funds, and from social security funds. Public housing projects can be financed by mandatory savings, manifested in a housing allowance which would be supplemented by a state subsidy, and they can be financed by citizens' savings, provided houses are built according to the resources available to each citizen. In addition, revenues from public housing can be used to build new housing.

The study adds that because no determination has been made about the local and imported materials we need and because strict technical supervision of specifications is not observed, scarce construction materials are wasted and misused. Consequently, it is necessary to determine the local and imported materials we need for housing projects. Control must also be exercised when imported materials are used, and these materials must be used properly. An effort must be made to substitute local materials for imported ones, and local industries which manufacture construction materials should be developed.

#### Successful Experiments

The Housing Projects Administration is considered one of the oldest departments in the Ministry of Housing. It started implementing public housing projects in 1954 when it built 15 houses in South Khartoum that were the nucleus for public housing. From that time until May 1955, the administration added 188 houses in the same area. The number of applications to acquire these houses was very small because at that time the area where the houses were built was remote.

In Port Sudan, 232 houses were built in 1956 at a cost of 53,000 pounds. Each house had two rooms, a balcony, a kitchen, a water closet, and a bathroom. The living space in those houses was between 220 and 333.5 square meters. These houses were built to provide appropriate housing for the Beja workers who go to Port Sudan to work in loading and unloading ships. The houses were built to improve the workers' standard of living and to provide them with stability.

In 1959 the Cabinet issued a decree regarding investing local and foreign capital in a public housing project. Several firms and agents also came forward to participate in this project. The committee which was formed was made up of representatives from a number of ministries that are directly associated with such projects. The committee recommended that steps be taken to build 1,000 houses for people on fixed incomes in North Khartoum because that part of the city was growing industrially. The committee wanted the houses built there because the growth of the industrial area was not proportionate to the growth in the city's residential area with regard to housing standards and the number of houses. When it was first planned, the project was to be financed by companies and capitalists who had expressed a wish to invest in that field. But when no agreement was reached, the ministry suggested that this plan be shelved. It was decided that government itself should finance the project, and the sum of 350,000 pounds was actually appropriated for the construction of 500 houses as a first stage. An agreement was reached with contractors to implement the project, but only 348 houses were built. The other houses were built in May 1963 by what was then the Public Housing Office. As a result of its success, the Public Housing Office was asked to implement the second stage of the project, which consisted of 500 additional houses. These houses were built in groups, and title was transferred to residents as they were finished.

Afterwards, the Ministry of Finance authorized 20,000 pounds to build 48 other houses, and these houses were built and turned over to citizens in February 1969. Thus, the total amount of public housing in North Khartoum was 1,048 houses.

To qualify for ownership of one of these houses, one has to work in North Khartoum and be employed by the government, by a company, or by a national bank. One's salary must be fixed and should not be less than 12 pounds and not more than 25 pounds, and that includes the cost of living allowance. One must also be prepared to pay 10 percent of the total value of the house in advance.

#### Attempts To Reduce Construction Costs

A research project was started in the early seventies to investigate construction methods for the purpose of reducing the cost of building a house from all aspects. The research was begun with an experimental project in which 7 and then 22 houses were built in Khartoum using brick. The experiments continued on all the technical and economic aspects of construction to raise the total cost of the housing project to 6.5 million pounds. But the project was brought to a standstill during the first stage, which included construction of 490 houses distributed among the three cities in the national capital: Omdurman, in Section 20; Khartoum, in Jabrah; and Khartoum Bahri, in al-Hajj Yusuf. The experimental project continued to explore the use of available local

materials in construction methods. All of these materials, such as clay, palm branches, straw mats, bamboo and lumber, can be used to build low-cost houses which are suitable for the climate in Sudan and suitable for people on fixed incomes.

Clay is abundant in Sudan. All the research which has been done affirms that clay is useful in construction. History tells us that the Arab region's earliest known architectural art is the walls of Babylon which was built with clay in the 7th century B.C. Jarash in Jordan is considered one of the oldest cities built with clay. Some of the city's ruins are still standing, defying the elements of nature. Buildings of clay have also been known in the deserts of Yemen where multistory clay architecture developed. Architects still marvel at the sturdiness and durability of Yemen's clay architecture. Here in Sudan clay is still the principal material for construction in rural areas. We must therefore pay attention to this material and try to use it in construction in accordance with scientific methods. We must expand the experiments which are being conducted by scientific and research agencies in that regard. Clay architecture may be the ideal solution for those millions who dream of having a roof over their heads to provide them with happiness, comfort and tranquility.

#### **Is the State Behind the Present Housing Crisis?**

At the present time, the problem of finding suitable housing is one that worries many citizens in the country's capital and major cities. Officials in the Ministry of Housing have attributed the housing shortage and the high cost of rent to several reasons. These include the continuing population increase in the capital

as a result of continuous migration from rural areas to the country's capital and major cities. Another reason for the housing shortage is the high cost of construction materials. The price of a ton of cement, for example, is between 1,300 and 1,800 pounds. Bricks cost approximately 300 pounds per 1,000 units, and zinc costs 16 pounds a foot. In addition to construction costs, prices for residential lots are high because people are using legal as well as illegal methods to buy such land.

An official in the Housing Administration indicated that at first the state subsidized services and offered construction loans to citizens who were beneficiaries of these services. But because the state's available resources have dwindled, subsidies have decreased, and now citizens bear the full cost of services. Although citizens may pay for these services in advance, there are several reasons why these services are not delivered. These include the fact that the funds do not cover the real costs of delivering these services because delivery is extremely slow or because proper cost estimates were not made at the outset. Also the large areas for residential lots led to the horizontal expansion of the city, and that added to the cost of services.

Providing public housing has become a pressing need in the country, especially now that workers and civil servants on fixed incomes can no longer afford the costs of building a suitable house. According to a few officials in the Ministry of Public Works and Housing, the time has come for the state to give local and foreign companies, as well as people who have capital, the opportunity to implement housing projects according to certain specifications. Local materials are to be utilized whenever possible in building these houses to avoid the high cost of imported construction materials.

## INDIA

### Signs of Change Seen in Indo-Soviet Friendship

46240016 New Delhi DINMAN in Hindi 15 Dec 88 p 8

[Article by Girilal Jain: "Indo-Soviet Friendship"]

[Excerpts] There must surely have been some special reason why during his Indian visit President Gorbachev on two successive occasions referred to "unfriendly" commentaries in the context of future Indo-Soviet relations. We do not know the reason but we are amazed because, as can be seen, in view of the generally positive Indian attitude toward him and his policies, he had no need for such "defensive" commentaries.

Perhaps its root may be found in his not agreeing to meet the Indian press during his Indian visit. Gorbachev is not one of those leaders who avoid facing the press; rather he is good at dealing with the media. It should be remembered that his 1984 visit to Britain got such favorable publicity that it greatly helped him to emerge as a new important personality on the international scene. He used Soviet press as a major instrument in his campaign against Neo-Stalinism. So why did he avoid meeting the press in New Delhi?

We are not in a position to answer this question. We can only guess. One possible line of thinking is that in view of the recent Estonian legislature's declaration of self-rule, even if it weren't secession, it was not convenient for President Gorbachev to face the international press in New Delhi. In this context it is very significant that he felt it necessary to speak to the Soviet press party accompanying him and that too at the Indira Gandhi memorial. Clearly by throwing light on the Estonian events he was seeking to reassure people back home that there was no reason to panic and that the problem will be resolved without traditional oppressive tactics.

Another line of thought is that he may not have forgotten how during his 1986 visit he had had to face inconvenient questions designed to elicit a Soviet response to India's insecurity in face of China and Pakistan and he may not have wanted to suffer another similar experience. The current difficult situation in Afghanistan may have reinforced his decision to avoid the Delhi press.

Clearly this action of Gorbachev does not fit in with his nature. It is amazing especially when he may have had to face very "unfriendly" questioners. He could have had a good debate over the issue of Indo-Soviet relations provided he was prepared to admit that he is fully determined to end the cold war with the West and China and that for this it will be imperative to reshape Soviet foreign policy including the policy of friendly relations with India. [passages omitted]

First of all, credit should go to Nehru for recognizing that in view of Chinese nationalism, it was a foregone conclusion that under no circumstances could China

become a Soviet satellite. He had also recognized that the Khrushchev-Bulganin visit was meant not only to reassure him in the context of a Pakistan laced with American weaponry but that the visit was also intended to caution him about socialist China. Only a few days later he said this much in a meeting of Indian diplomats in London.

The history of Indo-Soviet friendship raises many questions which need to be deliberated in detail and with care. On the whole, it is correct that the Chinese problem cannot be resolved either by Gorbachev's exhortations to improve relations with China or by Rajiv Gandhi's forthcoming visit to Beijing. The least that can be done is that we should brace ourselves for a long wait and pay attention to Chinese developments because Chinese policy is always in flux.

Meanwhile a few issues could be addressed right away. First of all, despite the statements of Gorbachev and Rajiv Gandhi, in the future Indo-Soviet friendship will need another leg to stand on, otherwise, in Russia's quest for ways to reduce tension with America and China the objectives of Indian non-aligned policy will begin to lose relevance. Finally, both Gorbachev and Rajiv Gandhi need to be on their guard in their dealings with China lest they allow its leaders to behave as though the entire world is at their feet.

### Sino-Indian Border Panel To Meet Before End of June

46001214 Calcutta THE STATESMAN in English  
12 Jan 89 p 5

[Text] Paris, June 11—The first meeting of the Sino-Indian working group on the border dispute and the ministerial meeting will be held by the end of June, reports PTI.

This was decided at a meeting between the Minister of State for External Affairs, Mr K. Natwar Singh, and the Chinese Foreign Minister, Mr Qian Qichen, here last night. Modalities for the meetings of the working group and the ministerial body were discussed.

The working group and the ministerial body were set up during Mr Rajiv Gandhi's visit to Beijing last month.

Mr Natwar Singh later told reporters that he and Mr Qian agreed that Mr Gandhi's China visit produced satisfactory results for both sides and paved the way for a better relationship between the two neighbors.

Mr Qian said the visit has been viewed very positively within China and internationally. Mr Natwar Singh also agreed with the assessment.

The Chinese Foreign Minister reiterated what Chairman Deng Xiao Ping had told Mr Gandhi, when the latter called on him in Beijing during his visit on December 21.

Mr Natwar Singh and Mr Qian spent considerable time on discussing the Kampuchean issue. The meeting was held in a warm and friendly atmosphere.

The two leaders felt that the Paris conference on chemical weapons was likely to end on a satisfactory note.

Mr Qian said China evaluated highly the outcome of SAARC summit in Islamabad and the agreements signed between India and Pakistan.

### Draft Resolutions of CPI 14th Congress Released

#### New Delhi Press Conference

46001209 Calcutta THE STATESMAN in English  
28 Dec 88 p 7

[Text] New Delhi, Dec 27—In the coming election year, the Communist Party of India [CPI] is likely to continue its policy of supporting Mr Rajiv Gandhi's foreign policy while attacking him on other fronts.

The National Council of the CPI ended its four-day meeting here on Saturday and prepared an 18-page draft political resolution that would be presented at the 14th congress of the CPI to be held in Calcutta next March.

Speaking about various aspects of the resolution at a Press conference, the CPI general secretary, Mr C. Rajeshwara Rao, and the Joint General Secretary, Mr Indrajit Gupta, welcomed the peace initiatives of the Soviet Union and saw an increased opportunity for India to improve relations with its neighbors, especially after the installation of a democratic Government in Pakistan and the successful holding of elections in Sri Lanka. They were happy with the outcome of Mr Gandhi's visit to China.

But inside the country, "The Government of India is consistently trying to suppress democratic rights," Mr Gupta said, "this is the most anti-democratic Government going." He welcomed the birth of the Janata Dal describing it as an "emerging alternative to the Congress(I). We do not agree with all that they say, and we deplore the way they are behaving with each other at present. It is surely affecting their credibility adversely, but we would be happy if they would get over this. It must be noted that they have not brought the BJP [Bharatiya Janata Party] into the National Front."

#### Views Identical

Mr Gupta's views on the BJP were identical to the reported views of Mr E.M.S. Namboodiripad, the general secretary of the CPI(M). But he failed to clarify if the CPI would have seat adjustments with the National Front in the next elections if the front had seat adjustments with the BJP. Mr Rao said: "The elections are still a year away and a lot can happen by then."

The CPI(M) was criticized by Mr Gupta because some of its leaders had reportedly stated that they were willing to "collaborate with the devil" to see the Congress(I) out of power. He welcomed the stand taken by Mr Namboodiripad which apparently established BJP as the "first enemy".

The National Council welcomed the progress in the efforts for Communist unity but blamed the CPI(M) for all the hitches in the talks. "They often behave as if they are the only Communist party in India and we do not exist," Mr Gupta complained.

Talking about the Tamil Nadu Assembly elections, where the CPI had aligned itself not with the National Front partner, DMK [Dravida Munnetra Kazhagam], but with the Jayalalitha group of the AIADMK [All-India Anna Dravida Munnetra Kazhagam], Mr Gupta said: "We wanted seat adjustment with the DMK, but not at the cost of being humiliated. They are not willing to give us two of our own seats and they expect us to fight others."

On the international front, the CPI supported glasnost and perestroika and the USSR and said: "The distortions that had taken place during the years of construction of socialism are being removed...it does not, however, mean that everything that is being written and spoken in the name of perestroika and glasnost and every step taken in the Soviet Union or other socialist countries need be endorsed by us."

In India, the resolution mentioned the successful battle of the Press against the Defamation Bill and regretted that the move to amend the Industrial Disputes Act and the Trade Union Act had not been dropped by the Government, though they had been shelved. On the question of electoral reforms, the CPI feared that the Election Commission had been given more powers than it should have been.

#### Corruption

On corruption, the party felt "all sections of the people have become highly critical of a Government which is unable to clear doubts about corruption at the highest level affecting highly sensitive spheres of national security."

The National Council criticized the Government's new education policy calling it elitist. It also attacked communalism and communal organizations in the strongest possible terms.

On Centre-State relations, the party called for greater autonomy to States, but keeping the importance of national integration in mind.

The CPI alleged that "the Congress(I) had evil designs on the Left Front Governments in West Bengal and Kerala." But it urged these Governments to "pay more

attention to fighting corruption, reducing bureaucratic practices, removing day-to-day public grievances and enacting progressive legislation to help the weaker sections of society."

On Punjab, the party criticized the Congress(I) for not implementing the Punjab accord, and accused it of clandestinely meeting extremists for its own political ends. It pointed out that several Communist workers had been killed by the extremists but resolved to continue the fight against secessionism.

#### More Details Given

46001209 New Delhi *PATRIOT* in English  
27 Dec 88 p 1

[Text] Prime Minister Rajiv Gandhi's visit to China is a new and welcome step, with the agreements reached on scientific, cultural and technological exchanges and the joint working group set up to resolve the border question, the National Council of Communist Party of India draft political resolution for the Calcutta Congress says.

The draft resolutions on the political, economic, internal and agrarian situations were released at a press conference in the Capital by party general secretary C. Rajeswara Rao and deputy general secretary Indrajit Gupta on Monday.

Covering a wide range of issues, the resolution hailed the INF treaty signed by President Gorbachev and President Reagan. It also welcomed UN's emergence as the main mechanism for settling international issues and disputes.

The resolution also viewed the democratic developments in Pakistan and Prime Minister Benazir Bhutto's statements on improving Indo-Pak relations on the basis of the Simla Agreement favorably.

The national council draft gave a call for replacing the Rajiv Gandhi government by a Left, democratic party.

The draft resolution called for self-reliance by a reversal of the present economic policies and by stepping up indigenous research and development.

It also stressed the need for redistribution of surplus land held illegally, strengthening of the public sector and reopening of closed factories.

Voicing concern at the inherent danger of communalism, the resolution called for boldly coming out against such 'pernicious' forces.

Regarding the situation in Punjab, the resolution called for an urgent political solution and national consensus and streamlining of the law and order machinery.

The Centre must seek the cooperation of those who oppose Khalistan and win over the Sikh masses, it said.

Regarding the "grim" situation on the economic front, the resolution said the Government's stand on liberalization of the economy was designed to boost profits of the big business sector and monopoly houses.

In the agrarian sector, the long standing demand for a comprehensive central legislation on agricultural workers' wages has not been accepted by the Government, the draft resolution notes. It supports the demands of small and marginal peasants for cheap inputs, abolition of loans and cheap credit.

CNS [Central News Service] adds: The CPI's attitude towards the Janata Dal and national Front is generally a positive one but rivalry, bickering and personal ambitions among the constituents were hindering understanding, the resolution pointed out. Their political culture was that of the Congress, it said.

Regarding the newly-formed communist party, party leaders said it was the Congress 'masquerading as a Communist party.'

As for seat adjustments in the elections, the party considers that the main purpose should be to improve the number of seats of the Left and therefore to take part in elections instead of boycotting them. Even where constituents of electoral adjustments have some links with communal parties like the BJP, the CPI position will be that "it will not bind us to fighting the BJP", the resolution says.

On the Tamilnadu election scene, it pointed out that the DMK had given away sitting seats of the CPI to others without even consulting it. The CPI now has seat adjustment with AIADMK (Jayalalita). Stating that though relations between the CPI and CPI-M [Communist Party of India, Marxist] had improved in general, it was, however, not advancing smoothly due to the 'negative' attitude of the latter on the issue of communist unity, it said.

It expressed concern that in the name of isolating the Congress, the CPI-M had overlooked the task of effectively resisting the undemocratic policies of non-Congress, non-Left governments, especially Telugu Desam Party in Andhra Pradesh.

It said the CPI-M would not be invited to the 14th CPI Congress, since the former 'did not recognize equality' and does not consider the CPI to be a communist party.

#### Janata Dal Issues Statement on Foreign Policy

46001216 Madras *THE HINDU* in English  
31 Dec 88 p 9

[Text] New Delhi, Dec 30. The Janata Dal today joined issue with the Prime Minister, Mr Rajiv Gandhi, over what it called a "sell-out" to China on the territorial dispute. Basing their conclusion on nothing more than a story in a London journal, the party leaders, at a meeting

under the presidency of Mr V. P. Singh, concluded that as there had been no denial, it could be presumed that Mr Gandhi had made a deal on the boundary question at India's cost.

In its first major statement on the foreign policy, relating to Sino-Indian relations, the Janata Dal leaders struck a note not only totally at variance with the Government's policy perceptions but also at odds with the line that several other national parties have adopted. The Janata Dal is almost alone in deriding the achievements flowing from the Prime Minister's visit to China earlier this month.

The Janata Dal statement on the visit also recalled an observation by the Janata Party in 1986 that in any settlement with China, "India's security interests, tied up with Tibet as they are, would have to be of paramount importance".

'Not mentioned': Basing their "discovery", that Mr Gandhi had "sold out" to China, on an item in THE ECONOMIST of December 24, which claimed that on the first day of his visit to Beijing (December 19), the Prime Minister had conceded Aksai Chin in return for recognition of the McMahon Line as the boundary between the two countries, the Janata Dal leaders noted that this had not been mentioned in the joint communique issued at the end of Mr Gandhi's visit.

While affirming that the Janata Dal was committed to the establishment of friendliest relations with India's neighbors, Mr V. P. Singh and his colleagues said in the statement: "Improvement of friendly relations and growth in economic cooperation cannot be done through appeasement or through surrender of our national interest. In the specific context of our relations with China, the fact that 14,500 sq. miles of India's territory is under forcible Chinese occupation for over 26 years cannot be overlooked nor the unanimous resolution of Parliament adopted in October 1962 that we shall not rest till we have recovered it."

'Ignorant of history': Accusing the Prime Minister of ignorance of India's history and geography, the Janata Dal statement said that Mr Gandhi had shown a propensity to make utterances that do irreparable damage to the nation's interests. They quoted the Prime Minister as having told the press on return to Delhi from abroad on August 11, 1986, that "the McMahon Line was not a clear cut frontier between India and China but was a fairly thick line drawn on a small scale map and it could be contested where the line actually lies."

The Janata Dal statement said that the 1986 observation was "made in the context of Chinese incursions in the preceding weeks across the line of actual control in the north-eastern region." It recalled that the Janata Party National Executive had in 1986 denounced the Prime

Minister's statement and cautioned the nation "against the dangerous implications of having an utterly inexperienced person to continue as the chief executive of the country."

Referring to "certain positive proposals" of the Dalai Lama last June to solve the Tibetan problem, the Janata Dal noted that the Chinese too were moving closer to a dialogue with the Tibetan leader, and informal consultations between the Dalai Lama's representatives and the Chinese authorities had taken place in Beijing and elsewhere.

"The aspirations of the Tibetan people have always struck a sympathetic chord in the hearts of the Indian people. The suppression of human rights and repression in Tibet have also evoked strong reactions in India. The Janata Dal hopes that the Chinese will respond positively to the Dalai Lama's proposals," the Janata Dal said.

It warned the Government not "to deal with the India-China border dispute in a cavalier fashion" and demanded that the Government "make public whatever offers were made by the Prime Minister on his China visit. The Dal also urges the Chinese Government to end its policy of repression in Tibet and respect the rights of the Tibetan people".

This statement was drawn up at the first meeting of the office-bearers of the Janata Dal was attended by Mr Ajit Singh, Secretary General and Messrs George Fernandes, Ram Vilas Paswan, Arif Mohammed Khan, Yashwant Sinha and Rashid Masood all general secretaries.

V.P. Singh to campaign in T. Nadu: The Janata Dal President will campaign in support of the Janata Dal nominees and the DMK in the Tamil Nadu Assembly elections from January 13 to 19. The newly formed Central Parliamentary Board will have its first meeting in Delhi on January 12.

'In a Dilemma': Our Calicut Staff Reporter writes:

Talking to newsmen in Calicut on Friday the controversial Janata MP, Syed Shahabuddin said that he was in a dilemma vis-a-vis his relationship with the Janata Dal. There were others in the Janata party who shared this.

Mr Shahabuddin was in Calicut to speak at a State convention of Mujahid Students Movement.

Asked if he would accept the membership of the Janata Dal parliamentary board he said has had not been made an offer so far. He reiterated his view that the formalities for constitution of the Janata Dal had been not completed and as such the party could not be considered to

have come into being. These formalities include acceptance of a party constitution, conduct of party elections, organization of State units and the decision on the date on which the constituents of the Janata Dal would dissolve.

**Seven-Party Alliance Releases Campaign Program**  
*46001215 Calcutta THE STATESMAN in English*  
12 Jan 89 p 1

[Text] New Delhi, Jan 11—The seven-party "Left and Democratic Alliance" released its 15-point "national campaign programme" here today, clarifying that the alliance "was by no means a third front". The seven-parties are the CPI(M) [Communist Party of India, Marxist], CPI [Communist Party of India], Forward Bloc, RSP [Revolutionary Socialist Party], Lok Dal (Bahuguna), Congress(S) and Jan Morcha (Ram Dhan faction).

The CPI(M) leader, Mr H.S. Surjeet, said the programme enunciated by the seven-parties today was not the same as the declared programme of the national Front. "National unity, foreign policy, defence of the masses, are issues which we think are vital, and these have not been enunciated clearly in the programme of the national Front. Now let us see what impact our programme would have on different parties," he said.

All the leaders were at pains to point out that they would like to see Mr V. P. Singh and the Janata Dal supporting their campaign. The leaders indicated that the only Opposition party they would not have any truck with was the Bharatiya Janata Party. About the others, Mr Surjeet said: "We consider the Janata Dal to be a secular party because their platform is not of the BJP or Hindu Rashtra".

While clarifying that today's alliance did not form a "third front", leaders of the Lok Dal(B), Congress(S) and the Jan Morcha asserted that they continued to be in the National Front. Mr K. P. Unnikrishnan of the Congress(S) said: "This national campaign for a Left and democratic programme is to add a new dimension to the struggle against the ruling party. It is complementary to the programme and policies of the National Front."

But what would happen if other National Front partners did not agree to all or some parts of the programme enunciated today? Would the Lok Dal(B), the Congress(S) and the Jan Morcha leave the front? The leaders refused to talk about this during the Press conference, saying that today they were only interested in the national campaign.

After the Press conference, however, Mr Bahuguna said he could not answer a question that started with an if. Mr Unnikrishnan said the Congress(S) would "certainly continue to stay in the front. That is an electoral alliance. After all, I do not agree with everything that the DMK says. But we continue to be National Front partners, and

we are cooperating fully". Mr Ram Dhan said: "There is nothing in this programme with which any National Front partner can disagree, specially not on the domestic issues. There may be some differences on foreign policy, but we will sort that out."

The 15-point programme, which was drafted by Mr Unnikrishnan, would guide the campaign that would start off at the national level "immediately after the January 21 elections" Mr Bahuguna said.

Among the 15 points were campaign for national unity and against divisive forces; against corruption in high places and black money; in defence of civil liberties and democratic rights; in defence of national self-reliance, planning process, public sector and against monopolies; against price rise and for a public distribution system and "right to work" as a fundamental right.

The office-bearers of the Janata Dal held a meeting here today on the eve of the first meeting of the Central Parliamentary Board of the new party. The Dal president, Mr V. P. Singh, chaired the meeting, attended by the secretary-general, Mr Ajit Singh, and six of the eight general secretaries—Mr George Fernandes, Mr Arif Mohammad Khan, Mr Yashwant Sinha, Mr Ram Vilas Paswan, Mr S. Jaipal Reddy and Mr Sharad Jadav.

**Kashmir National Conference Leader Floats New Party**  
*46001218 New Delhi PATRIOT in English*  
12 Jan 89 p 6

[Text] Srinagar, Jan 11 (UNI)—National Conference (Farooq) leader Abdul Rashid Kabli, MP, today floated a new party, called the Jammu and Kashmir Democratic Forum, with himself as its chairman.

He told newsmen that the forum will have 41 members, drawn from the ruling National Conference and other parties.

In reply to a question Mr Kabli said he would continue to remain in the National Conference till he was asked to leave the party or expelled.

Mr Kabli has been criticizing the policies of his party for the past two years, particularly for its accord with Congress in 1986.

Mr Kabli said the accord had failed to solve any problem in the State, rather the problems had accentuated, he added.

He said a section of ruling party members wanted a change of leadership.

**PTI Reviews Indian Achievements in Science for 1988**

46001205 New Delhi PATRIOT in English  
28 Dec 88 p 5

[Text] The year—an eventful year in Indian science—though had yo-yo like ups and downs for the space programme, it brought new and promising developments in the field of medicine, embryo technology and other areas, reports PTI.

In the international science arena, AIDS, superconductivity, ozone depletion and its consequences were the key issues of ongoing research programmes. The year also marked the phoenix-like return of the American space shuttle and the debut of the Soviet space shuttle.

The Indian space programme was hit by the second successive failure to launch the Augmented Satellite Launch Vehicle and the short circuit in the INSAT 1C satellite which has partially crippled it.

But the Indian Remote Sensing Satellite, IRS 1A, launched from the Soviet Union in March, is sending high quality pictures of the Indian land mass, which is useful in terrain and resources analysis. IRS 1A data has also helped identify potential sites for diamond mining in Andhra Pradesh.

Life sciences: Developments in life sciences, however, seemed to outnumber those in other fields and one of the first developments came from scientists at the vector control research center, Pondicherry, who reported the discovery of a new source of life saving drug, cyclosporin.

The finding is expected to give Indian drug companies their first chance to enter the world market in a big way.

Researchers at the National Institute of Immunology (NII), New Delhi, reported the synthesis of a dual purpose vaccine that will act as a birth control agent and also protect against some cancers.

Another NII-developed vaccine to sterilize stray dogs and unproductive cattle entered the market.

Indian scientists also broke new ground in computer science with a group at the National Aeronautical Laboratory, Bangalore, developing India's first parallel computer at a cost of only Rs 500,000.

In the second phase of the project the computer will be upgraded to reach a standard which will provide an alternative to giant number crunching mainframe computers that are currently imported.

The year also saw the birth of the first batch of embryo transferred buffalo calves in India. The first report came from Gujarat in January and the technique has been successfully repeated at several livestock research centers.

The embryo transfer technique will be integrated into livestock improvement programmes that aim to double the milk output in the country by 2000 AD.

In the national front, Indian defence scientists unveiled for the first time their design of a hyperplane, a reusable space vehicle that will take off from an airport, make its own fuel during flight, and be able to deploy a satellite and return to earth within 80 minutes.

In International AIDS research, the scramble to develop a vaccine against the deadly acquired immune deficiency syndrome (AIDS) continued, but most scientists believe an effective vaccine is at least five years away.

In medical research, an Indian doctor surprised delegates at an international symposium by announcing that he had refined human fat into a calorie rich solution to provide nutrition to debilitated patients.

**Commentary Examines Separatist Sentiments in Kashmir**

46240014 New Delhi JANSATTA in Hindi 5 Dec 88 p 6

[Article by Jawaharlal Kaul: "Why is the Fire of Separation Smoldering in Kashmir?"]

[Text] Many political leaders of Kashmir are not happy over the People's Party's victory in recent Pakistani elections. They are especially upset that the democratic wave in Pakistan will bring power into the hands of Benazir Bhutto and her party. The interesting thing is that this displeasure is found not only among the dogmatic pro-Pakistani groups but among influential workers and leaders of the ruling National Conference. Reasons differ in each case. The Jamiat-e Islami has still not accepted Kashmir's accession to India and is still dreaming of Muslim rule in Kashmir as well. According to the party, in the subcontinent, Pakistan was moving towards full Islamization but recent elections have thrown a serious obstacle in the way. Under leadership of the unveiled Bhutto women Pakistan will rapidly move towards liberalism and Western style democracy and as a result all goals of Shariat rule will be shelved. What is more the party will face difficulty presenting to Kashmiri Muslims the ideal of a Pakistani paradise. The so-called secular and democratic parties are worried that in case under Benazir's rule political and trade relations between Pakistan and India improve, they could no longer have their own way by raising the bogey of Pakistani supporters and fanatics. The fact is that in Kashmir whenever the ruling party fails to provide for the basic necessities of people and whenever because of



these economic and social problems there is widespread dissatisfaction in the state, the entire blame is laid on the Government of India by raising slogans of Kashmiri Nationalism.

Only recently the Chief Minister Farooq Abdullah made such a statement in a meeting of Kashmiri traders. According to him the Indian government discriminates against Kashmir because the majority of the people here are Muslims. The educated Kashmiri youth do not get jobs in India just because they are Muslims. In his words, "What will become of the 200,000 unemployed youth".

In Sheikh Abdullah's lifetime activities of Pakistan supporters continued unabated but they could not organize into formal groups and parties. But since his death organizations of Pakistan supporters and fanatic groups have been growing stronger and in many parts of the valley they have rendered inactive the Awami Action Committee of the Orthodox dogmatic Maulavi Mohammed Farooq. Khomeyni's rise in Iran and Zia-ul Haq's Islamic rule in Pakistan gave these groups two ideals of Islamization. That is why for the last few years international events occurring out of India have been having constant repercussions on the communal politics in Kashmir and its evidence can be seen in ever recurring violent demonstrations and communal riots. Only this year in April Pakistan army's Osheri ammunition depot near Rawalpindi burned down. Taking advantage of this the pro-Pakistani elements staged anti-government and anti-Indian demonstration since it was being circulated that the army depot had been burnt down as a result of an Indian conspiracy. Recently Zia-ul Haq's death resulted in riots and anti-Indian demonstrations. It is interesting to note that 11 years ago some elements had provoked riots in Srinagar on the pretext of Bhutto's hanging. It is a different matter that at that time victims of violence were Jamiat-e Islami workers who were considered anti-Bhutto. But the reality is that then Zulfikar Ali Bhutto was the symbol of Pakistan's aggressiveness and 11 years later the same honor was bestowed on President Zia-ul Haq.

The question arises; why have Pakistani supporters been uniformly successful in provoking anti-government and anti-Indian riots in the Kashmir valley on the pretext of such events in far off places? Even former chief minister Ghulam Mohammed Shah who has the reputation of being an extremist admits in his practical moments that political developments are such that some people's dream of breaking Jammu-Kashmir off from India will not be fulfilled even in the distant future. He stated in an interview, "I have always been telling Kashmiri Muslims that however much we are attached to Pakistan, we cannot make Kashmir into Pakistan. Some people have been raising slogans of Long Live Pakistan for 40 years. What has been the result? There have been three wars but the situation is the same. On the contrary one day 130 million Pakistanis went to bed and when they woke up the next day they found that there were 50 million of them left". He was referring to former East Bengal's

break up from Pakistan. Leaving aside Jamiat-e Islami there is hardly any group which honestly believes that it can separate Kashmir from India in the near future. Despite this Pakistan has been a force to reckon with in Kashmir politics and all extremist groups have been using it as a slogan to intimidate the Indian government and the Kashmir administration. If on the strength of this slogan they have been repeatedly successful in creating tension and provoking riots, the only reason for this is that for the last few decades no Kashmiri government has been able to solve the economic problems of Jammu and Kashmir. Far from succeeding, on this score every succeeding government has fared worse than the previous government. Farooq Abdullah asks what should he do with 200,000 unemployed youth. But he himself has never been able to satisfactorily answer why his government has not been able to create employment opportunities in Jammu and Kashmir after all this time. In Jammu and Kashmir education is free up to college level. But for these educated youth sufficient government jobs are not available nor can they be. This problem is not confined to the educated youth. Unemployment is rapidly growing among the uneducated youth as well.

In Kashmir tourism is a major industry. But there are limits to its growth. Because of costliness of transport and accommodation, the number of tourists has not increased at the pace which it has in other parts of the country. The truth is that it is also due to development of tourist facilities in other states that this pace has slowed down. During his second term in office Sheikh Mohammed Abdullah thought up a fantastic scheme in which it was hoped that there would be a sudden flood of tourists to Kashmir. Dozens of hotels were opened on the banks of Dal Lake in Srinagar. Tourists did not arrive at that rate and the hotels remained vacant in tourist season. But Dal Lake's environment was definitely spoilt. Its nearby canals have been illegally occupied. In fervent pursuit of urbanization the famous canal Mar linking Dal with Jhelum was filled in and whatever remained of the city's beauty was ruined. The hopes of foreign tourists also were not fulfilled because foreign tourism depends not only on the Kashmir tourism industry but on the Indian tourism industry as a whole.

Sheikh Abdullah and his son Farooq Abdullah, of course, began a campaign to set up big industries in Kashmir. But in view of the special rules and regulations and the political conditions obtaining in the state the big industrialists of India were not prepared to invest money in Kashmir valley. Section 370 is a big obstacle in the way. Under this measure, no Indian who is not a resident of Jammu and Kashmir is allowed to buy property in the state. So far as local industries are concerned even here the state government had to face disappointment. Many industrial areas have been created in the state. But with the exception of a few industrial areas in Jammu, there is no industrial activity anywhere. The proper environment for industrial growth to take place has not been created. Industrial development cannot be made possible merely by scattering largesses around.

What is more significant is that the right material and methods have not been selected for local industries. For example, making carpets and shawls is a traditional Kashmiri industry. But for this it is very important to ensure raw materials. After independence there has been neither a development of pasturage nor any progress in raising animal stock. In fact abuse of forests in Kashmir has affected not only animal husbandry but also water sources. As a result Kashmiri woolen products have been getting relatively costlier. Its market within the country and abroad has not grown at a rate sufficient to create more employment opportunities.

The same is true of horticulture. At one time almonds and walnuts used to be major fruits of Kashmir. But after independence almond trees were rapidly cut down and apple orchards were planted in their place. The famous almond grove near Srinagar (Bari) is now non-existent. For this there are two reasons. Almond blossoms are very delicate. Excess of wind and water is fatal to it. Therefore, its production is limited whereas production of new varieties of apples is relatively greater. The right way was to keep a balance among all fruits. But as a result of this wave of apple planting, the possibilities of growth in this industry have receded. Himachal Pradesh has emerged as a big rival of Jammu and Kashmir in the apple market. Because Himachal apples ripen earlier and reach apple markets in the plains first, they have posed a serious challenge to the Kashmir apple industry. The strange thing is that in the Kashmir valley which is so replete with water and greenery, there is a milk shortage all year round. For meat eating Kashmiris large quantities of sheep and goats are brought in from out of state.

Along with industrial stagnation there has occurred administrative stagnation in Jammu and Kashmir. Recently, the Farooq government issued instructions to all government offices that officials should be aware of people's needs. But instead of awareness they have developed indifference to the point of carelessness. There is hardly any government office where even half of the work commensurate with the number of employees is being done. If an investigation is made it will become clear that in practically every department, the number of employees is far more than the amount of work. Even so some very important projects are kept hanging for months. Lack of movement of files is reflected in the Jammu and Kashmir administration. Official rules and regulations are constantly flouted and the shape of committees and commissions keeps changing with ministers' whims.

The old custom of the move of government has also been made a pretext for not doing work. With the onset of winter, the majority of offices of Kashmir valley are moved to Jammu. In other words the government shifts from Srinagar to Jammu. One to one-and-a-half months is taken up in this one-way travel of employees, their families and government files and with the start of

summer, the same exercise is repeated for return from Jammu to Srinagar. During this time hardly any public work is done. In October nearly 5000 employees remain busy in this annual move.

There appears to be a complete lack of thought given to all the state-level plans being formulated. An example of this is Srinagar city's master plan. This plan has been revised countless times. But despite these revisions the city is going from bad to worse. All the streams and canals near the city are filled with boat slums. In some canals there is barely any water left. A large part of the city drain Mar which had served as an arterial, has been filled up. Slums are growing all around the city so fast that unplanned urbanization is running amok far beyond the recognized boundaries of Srinagar municipality. Wherever roads have gone forests have been destroyed. Due to this, the valley's climate is beginning to be affected and water sources are also drying up. In some years the famous Chashma Shahi is a spring only in name. According to environmental experts unless rectifying steps are taken on a large scale, the water level in Dal lake will drop very sharply.

Instead of adopting decisive policy for dealing with these basic problems relating to improvement in common life and carrying the policy vigorously, the present government is resorting to the well-worn expedients which nearly every former chief minister has tried. Instead of confronting the separatists they find it more rewarding to confront the central government. In fact, whereas the separatist elements have been using the slogan of Pakistan to create anti-Indian sentiment among Kashmiri Muslims, the parties in power here have raised the bogey of Pakistan supporters to wring concessions from the Indian government. In this sense the rulers and the ruled appear to rely on cooperation with each other.

**Papers Report Developments in Economy**  
*46001207 Calcutta THE TELEGRAPH in English*  
28 Dec 88 p 7

[Text] New Delhi, Dec 27: The government is expecting an overall GDP [Gross Domestic Product] growth of 9 to 10 percent this year. The ministry of finance in its year-end review has said that the year 1988-89 marks a period of strong recovery for the Indian economy after the set-back caused by the drought last year.

The government, however, admitted that the balance of trade position remains under pressure and this is because of large increase in imports. But at the same time it says there has been an increase in exports, which have grown by 21 percent between April and September.

The government expects food-grains production to exceed the target of 166 million tonnes and attain a record level of over 170 million tonnes this year registering a growth rate of 12 to 13 percent.

The industrial production up to April-August, 1988, indicates an increase of 10.1 percent. The manufacturing sector has registered an even higher growth rate of 11.4 percent.

The infrastructure industries too have shown a positive growth compared to corresponding figures last year. Sectors like coal, saleable steel, telephone instruments, fertilizers, crude oil have exceeded the production targets. The freight movement through railways and cargo handling at major ports have also shown a positive growth. The infrastructure industries have recorded an increase of 6.6 percent compared to the level of production achieved during the same period the previous year.

The government also claims that the annual inflation rate of the wholesale price index had fallen to 6.4 percent by December 10 from 10.6 percent last year. The actual price increase during the current financial year, the government says has been only 4.1 percent compared to over 8.4 percent during the same period last year.

The government says the money supply (M3) has been contained at 10.2 percent which was in line with the target of 16.3 percent growth fixed for this year.

#### **Duty Cut for Metals Hailed**

Bombay Dec. 27 (PTI): The Indian Non-ferrous Metals manufacturers Association today hailed the downward revision of customs duties on strategic non-ferrous metals and asked the pricing committee of the government to pass on the full benefit of the reduction to consumers, while fixing the prices of these metals.

The association president, Mr Ashish Kamani, said in a statement here today that the government should now adhere to the specific duty system.

#### **Rise in Wholesale Index**

46001207 Calcutta *THE TELEGRAPH* in English  
3 Jan 89 p 6

[Article by K. K. Sharma]

[Text] New Delhi, Jan 2: Although there has been a rise in prices of a number of consumer goods and some administered prices were raised at the end of last year, the overall price situation as indicated by the wholesale index has shown a marked improvement over 1987.

The year 1988 ended with the wholesale index, as measured from month to month, showing a rise by just over six percent which was much less than the double-digit increase shown at the end of 1987. At that time, the price situation was affected by the worst drought of the century.

Although procurement of foodgrains so far has been much less than expected and food stocks are still at a dangerously low level, the bountiful monsoon of last year

has obviously improved supply of agricultural and industrial goods. This has meant that inflation last year was contained at well below the level of 1987.

However, the situation is not expected to be quite as sanguine if measured in terms of the consumer price index, which is not available yet for the full year and the base year of which has been changed. This will undoubtedly be more than the wider wholesale index and could approach 10 percent. The consumer price index is a more accurate reflection of inflation although the government uses the wholesale index as the official measure of inflation.

The wholesale index, however, does show that the movement of prices has been in line with the performance of the economy. It started the year, 1988, at more than 10 percent and then gradually slowed down as the months passed and showed that drought-management by the government had been done well. With the good monsoon, the index rose even more slowly.

But broken down group-wise, the index shows a more accurate picture of the price situation as far as the common man is concerned. For instance, the food group shows that prices of primary commodities and food articles rose by as much as 11 percent, which is a hefty increase. In fact, foodgrain prices rose by a whopping 13.4 percent over and above the 19.8 percent registered in the previous financial year.

Other commonly used food articles that showed a marked rise were pulses by 37 percent, fruit and vegetables by 10 percent and spices by 34 percent. As a result, if taken during the drought year of 1987 and the good year of 1988, the overall food group rose by a staggeringly high 95 percent over a 24-month period.

Many other groups also show a high rise. For instance, non-metallic minerals rose by 21 percent, sugar confectionery and chocolate by 11 percent, synthetic textiles by 13 percent, jute by 13 percent, non-ferrous metal and alloys by 29 percent and so on.

At the same time, a number of groups also showed a fall, oilseeds—from which edible oil is extracted—dropped by 11.4 percent and fibers by 3.5 percent last year after both rose steeply in the previous year.

Factors contributing to inflation are still to be worked out but obviously the spillover impact of the drought was still evident last year, especially in the early part before the monsoon. There has also been a high budgetary deficit which increased the pressure on prices.

#### **Record Foodgrain Output**

46001207 Bombay *THE TIMES OF INDIA* in English  
12 Jan 89 p 4

[Text] New Delhi, January 11. The foodgrain output in the kharif season touched an all-time high of 95.5 million tonnes this year, chiefly due to a benevolent monsoon and the special food production programme implemented in 169 selected districts.

With an anticipated bumper rabi harvest, the total grain production in 1988-89 might cross for the first time, the coveted 170 million tonnes mark.

The current year's performance of the farm sector has dispelled the fears about the agricultural production having reached a plateau, at around 150 million tonnes. This impression was created by the fact that the output having risen to nearly 152 million tonnes way back in 1983-84, had indeed failed to repeat the feat in the subsequent years. It plummeted down to a mere 138.4 million tonnes in the drought year of 1987-88.

This year's output, therefore, marks a major recovery in the farm sector, registering an estimated increase of 23 percent over last year's level. Significantly, an analysis of the production figures is officially claimed to have shown that the per-hectare productivity in most food-grain crops had registered an increase even in the drought year. Though the total production fell sharply, the crop productivity showed an increase when the fall in cropped acreage was taken into account.

An official year-end review indicates that the special food production programme succeeded in boosting farm productivity and production, because it received full political support. The Prime Minister Mr Rajiv Gandhi, had himself addressed the state chief minister to seek their commitment for maximizing foodgrain production on a time-barred basis.

The review points out that the states had finalized the kharif strategy after detailed discussions at various levels. It was resolved to bring more area under high-yielding crop varieties, provide inputs and credit in adequate quantities and give full market support to the farmer.

A new "produce pledge scheme" was announced last month, to provide the farmer cash for sowing operations of the next cropping season immediately after the harvest. Under this scheme, the growers would get loans up to 75 percent of the value of the product stocked in his godown and hypothecated to a bank.

A controversial decision of the government was the revision of the seed policy, allowing import of seeds of food crops, oilseeds and horticultural plants. Though the policy is said to be aimed at facilitating a quick breakthrough in production of crops, which had not yet been affected by the green revolution, besides improving the quality of the produce with an eye on the international market, many farm scientists felt that it might discourage local initiative and pose hazards of introducing new pests and diseases. The new policy, however, also provided incentives to the domestic seed industry for producing high quality seeds, at a faster pace, to meet the internal requirements and to cater to the export market.

## PAKISTAN

**Commentary Sees New Alignments in South Asia**  
46000069a Karachi DAWN in English 11 Jan 89 p 7

[Article by M.H. Askari]

[Text] More events of far-reaching significance to Pakistan and the region in which we are located were packed in the last few weeks of 1988 than perhaps in any other comparable period of time in the entire decade of the eighties.

While the climax came with the summit meeting of the SAARC [South Asian Association for Regional Cooperation] nations in Islamabad, within less than a month of the induction of an elected Government, the visits of Mr Rajiv Gandhi to China and of the Soviet leader Mikhail Gorbachev to India and the United States may have set into motion a chain reaction which could have a greater impact on the strategic environment around South Asia than is apparent for the moment.

Coming close on the Soviet decision to disinvolve itself in Afghanistan and initiate talks with Afghan Mujahideen, Mr Mikhail Gorbachev's declaration of unilateral reduction in the Soviet armed forces at home and abroad, was revealed in his address to the UN General Assembly on Dec 7. The disclosure was described as an early Christmas gift to the Western world. The Soviet decision could mean a sea-change [as published] in the very nature of East-West relations in the New Year and, as some commentators have pointed out, compel many Western nations to take a second look at their own defence spending. In the words of the Indian defence strategist, K. Subrahmanyam, Mr Gorbachev through his proposals may have done more for the capitalist world's economy than any Chancellor of the Exchequer or Treasury Secretary, thereby helping "to give a shot in the arm" to the entire global economy.

Mr Gorbachev's address at the United Nations and the talks with President Reagan in Washington were preceded by his visit to New Delhi for discussions with Indian leaders at a time when the entire spectrum of Indo-Soviet, Sino-Soviet, China-India and India-Pakistan relations is in a state of flux. The South Asian region and its adjoining territories seem to be seeking realignments which were unpredictable only a few months ago.

Addressing the UN General Assembly, Mr Gorbachev disclosed that within the next two years the overall numerical strength of Russian armed forces will be reduced by half a million men. The number of conventional weapons will also be reduced and by 1991 the Soviets would have withdrawn (and disbanded) six tank divisions from East Germany, Czechoslovakia and Hungary. While some observers have, somewhat cynically, interpreted the move to imply that the Soviet Union now has powerful enough nuclear arsenals not to fear a

Western attack, the Soviet leader stressed that they have been motivated by the will of their own people who have undertaken what he called "a renewal of the entire Soviet society." At the same time, the Soviet government did not under-estimate the seriousness of its differences with the West, particularly the United States. The differences have been demonstrated by the angry Soviet reaction to the shooting down of the Libyan MIGs by the Americans, within days of Mr Gorbachev's address at the UN.

Mr Gorbachev's visit to New Delhi in November was apparently intended to reassure the Indian leaders of continued Soviet interest in maintaining a special relationship with India despite the expected thaw in Sino-Soviet relations. At the same time, it was meant to mentally prepare the Indian leadership to adopt a "soft" attitude towards China and Pakistan and reconcile itself to the rapidly changing scenario in Afghanistan.

A leading Indian daily made special note of this "combative spirit" of the Soviet leader's observations deprecating speculation (in India) that the Soviets may be about to change their priorities and become cool towards India. (Some Indian observers maintain that in point of fact there was no such speculation in India; Mr Gorbachev may only be anticipating the possible outcome of the changed thrust of his own foreign policy.)

Speaking at the banquet hosted in his honour by the Indian President, Mr Gorbachev made it a point to stress the stable basis of Indo-Soviet relationship which (he maintained) was not going to be disturbed by the development of their bilateral relations with any third country for any specific reasons. In his speech, the Indian President too expressed himself in favour of India's maintaining a dialogue with its neighbours, big or small. While Mr Rajiv Gandhi's talks in China had already been planned at the time of Mr Gorbachev's visit to New Delhi, the PPP Government in Pakistan was still nowhere in sight.

Mr Gorbachev's observations notwithstanding, Soviet-watchers in the Indian capital are frankly of the view that sooner or later the evolving Sino-Soviet rapprochement is going to intrude upon India's relations with the Soviet Union. It has also been noted that Mr Gorbachev's latest visit to New Delhi was more low-key than his previous one in 1986. Contrary to past Indian experience, Mr Gorbachev even reportedly raised the question of additional safeguards for India's nuclear power plants and suggested India signed the NPT [Non-Proliferation Treaty]. In view of Mr Rajiv Gandhi's known position on NPT, he did not however push the issue.

[boxed item] Mr Rajiv Gandhi's conciliatory posture towards Pakistan and China has been prompted by domestic reasons. If he succeeds in easing tensions with the two neighbours he may neutralise the mounting opposition at home.[end boxed item]

Mr Rajiv Gandhi's visit to China about a week before he came to Islamabad was preceded by several rounds of talks at the level of senior officials of the two Governments. Indian press maintained that the visit more than met the expectations generated at the outset. The two countries agreed to set up a high-level working group to try to reach a negotiated settlement on the acrimonious border dispute which led to a shooting war in 1962. The Indian side appears to believe that the forthcoming bilateral discussions would be "different in tempo and substance" than those held in the past.

The joint communique issued at the end of Mr Gandhi's visit to Beijing reaffirmed the two countries' commitment to Panchshila—the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, non-interference in each other's internal affairs, equality, and peaceful co-existence which were first enunciated by China and India in 1954. This is not to suggest of course that India has overcome the sense of humiliation that it suffered in its war against China in 1962. In fact, the more hawkish lobby in the Indian capital likes to remind China the only reason why India is not a nuclear power is because it has made a political decision not to exercise the nuclear option. Mr Subrahmanyam is of the view that once the Indian missile Agni has been tested it would be difficult to persuade the world to believe that it is meant to carry conventional war-heads only.

Mr Rajiv Gandhi's visibly relaxed mood during his visit to Islamabad for the SAARC summit may, at least partly, have been due to his belief that the graph of India-China relations will see an upswing in the coming years. The most notable achievement of the Benazir-Rajiv talks was the formalisation of the agreement not to attack each other's nuclear installations. More importantly, however, the ambience in which the two Governments will now conduct their bilateral relations is obviously undergoing an important change. There is already talk of India having decided to withdraw its reservations about Pakistan's re-entry in the Commonwealth.

There is of course the view that Mr Rajiv Gandhi's conciliatory posture towards Pakistan (and China) has been prompted by domestic reasons. He would want his people to believe that he has succeeded in easing tensions with two important neighbours, in order to neutralise the mounting opposition that he is facing at home. Where Pakistan is concerned Mr Gandhi could well be expected to be conscious of the likely positive impact of normalisation with Pakistan on the substantial Muslim vote in India in any future elections.

For Ms Benazir Bhutto, any success in moving towards normalisation with India will obviously mean tangible progress in a crucial area of Pakistan's foreign policy. She would have succeeded where the late Gen Zia-ul-Haq failed despite his persistence. For reasons which are transparently rooted in Party politics, Ms Bhutto's critics

wish to under-evaluate the significance of the agreements reached during the talks in Islamabad. They have chosen to raise the Kashmir issue and attempted to over-simplify the implications of the situation prevailing in Siachen. They maintain that Ms Bhutto did not pursue these contentious issues with sufficient vigour. They have done so regardless of the fact that the late President Zia-ul-Haq had himself more than once suggested to India that a beginning could be made with less contentious issues.

Whether it may seem palatable or not, the Indian leaders did not feel happy dealing with a military ruler. They also apparently credit Ms Benazir Bhutto with greater capacity to have her policies endorsed by the Pakistani public.

For almost a decade now Pakistan has had to reckon with a two front threat to its security. The Soviet military occupation of Afghanistan and the civil war there has cost Pakistan a great deal, both materially and in socio-political terms. It has also exposed Pakistan to the possible hostility of a superpower. The unabated tensions on the eastern border, because of the Indian Government's unfriendly attitude, placed the country under excessive defence burden. While the PPP Government may not be in a position to contribute much to the resolution of the Afghanistan problem the situation there has attained a certain momentum which cannot, and need not, be disturbed—the induction of Ms Benazir Bhutto as Prime Minister has certainly brought about a visible change in Indian attitude. Prior to the Indian Prime Minister's visit to Pakistan, the Indian Army called off its annual winter exercises on the Rajasthan border—a fact that appears to have received little notice in Pakistan.

Talking to newsmen on his return home Mr Rajiv Gandhi did not rule out the possibility of Pakistan and India discussing a possible reduction in their forces, provided tensions eased to a desirable level. He also said he accepted Ms Benazir Bhutto's assurance that Pakistan was not helping the terrorists in East Punjab. On Kashmir he unexpectedly did not come out with a routine re-statement of India's so-called known position, that the matter was no longer a "dispute." He merely reiterated Ms Bhutto's contention that the problem could be solved on the basis of the Simla Agreement. Whether all this means anything more than what meets the eye, only future can tell.

#### **Lovers of Democracy Anonymous**

46000073a Islamabad THE MUSLIM in English  
10 Jan 89 p 4

[Article by D. Shah Khan]

[Text] According to an enduring mythology it was the United States which "saved" West Pakistan (now Pakistan) in 1971 from being overrun by India. Many Pakistanis who are disappointed over our dismal performance in the eastern theatre are inclined to believe that

it was the "timely" warning given by America to India through the Soviet Union, which led to a ceasefire and end of hostilities in the west. Like much else concerning issues of consummate national interest, the true story of the last traumatic days will never be made public and Pakistanis will have to live with the fiction of the life saving role performed by the United States.

Now even before this theme has been elevated to the level of a historic "fact," another neat little mythology has emerged which credits the United States with being the authentic fountainhead of democracy in Pakistan. Although, by and large it was generally known that America was actively interfering in the country's internal affairs, it was never suspected that all this was being done to revive democracy and induct representative rule in Pakistan. The "genuine" facts are now gradually becoming known through interviews by ranking American diplomats and reports in the foreign press about Washington's humanitarian role in ensuring an effective and painless transition from darkness to light.

#### **Apocryphal**

It is a heartwarming tale, though somewhat apocryphal which tends to make the former American ambassador in Pakistan an eminence grise, who met General Ziaul Haq "several times a week" and sometimes they talked on telephone "two or three times a day." The story pieced together reveals how the late Mr Arnold L. Raphel and his successor, Mr Robert B. Oakley, acting on the basis of a nod from the world's most powerful democracy, played a behind the scenes role, gently nudging the powers that be for holding elections and handing over power to the successful party. What has been left unsaid is the agony of the ambassadors as they must have spent sleepless nights mentally wrestling with the unpalatable task of undoing an existing system which had admirably served American purpose for over a decade as had not been done anywhere else. This must have been a trying moment as it is not usual for superpowers to voluntarily demolish a regime which was happy to undertake any task, even the lowliest, for not much in return except a few measly million dollars worth of arms and recognition for services rendered.

This latest scenario, therefore, like another one, completely disproves the existing legend in Pakistan that it were the people whose struggle had resulted in the reinstatement of democracy and elected governments. It now appears that the countless who died, those who were exiled, the thousands jailed and the many more who suffered for the sake of political rights, did so without reason. Their sacrifices were redundant, as there was not one but two, and probably there are still many more in the wings, who were the true vanguard democracy. The noisy agitator on the streets, the leaders of the movement for restoration of democracy and other such political creatures were unnecessary as democracy was being restored somewhat in the manner of the PL-480 programme.

While it is not proper to look a gift horse in the mouth, it would be worth finding out why the United States government had waited for a decade before it decided to rush to the help of beleaguered democracy in Pakistan.

There were occasions when spokesmen in Washington took great pains in mollifying critics at home and elsewhere that the human rights situation in Pakistan was not at all alarming, and the regime, notwithstanding its patently authoritarian nomenclature, in fact was dedicated to the cause of democracy and all that is decent and proper. There was something bizarre in the manner American leaders, diplomats and even mediamen shared an undeclared perception that a praetorian order was the finest system for use in the global fight against the tide of red totalitarianism. Pakistan was seen as a frontline state manning the outer most ramparts of the free world. Thus even at times when there was surge in the struggle for democracy, one could almost hear the sigh of relief and the celebrated view that the fragmented opposition did not pose a threat to the military strongman.

### **Labyrinthine**

But this is not for the first time that the United States has been so deeply involved with a strongman. During the time of such powerful rulers like Iskander Mirza Ayub Khan and Yahya Khan, Pak-American relations had been closest. The Americans, evidently found themselves more at ease with a no nonsense general who was more dependable than an elected politician who tended to raise awkward questions. Probably there was a functional complementarity in such a linkage, as an authoritarian ruler needed the crutch of a superpower's support to survive in an unfriendly, democracy inclined world, and in return he undertook local errands for the patron. The Shah of Iran, Marcos and the South Korean military rulers typified the success of this arrangement till a denouncement brought the structures crashing. The heavy American backing for General Zia-ul Haq had a similar touch of reciprocity. Washington bailed him out of his political and economic difficulties and looked after his external profile, and he looked after their regional interests.

It is, therefore, somewhat difficult to easily reconcile to the thesis that throughout the past decade, American diplomats in Islamabad were relentlessly waging a silent struggle for the benefit of the commonman. It all appears more like a hush hush mystery in which diplomats go about their embarrassing mission, cajoling, counselling

and slowly forcing the iron grip to loosen its hold. Ten years later as elections are held and popular governments take office, the untold story is made public. It was not the political worker, lawyer, journalist student or concerned citizen who helped to restore democracy in Pakistan, but the United States ambassadors, playing a purposeful, thankless role in Islamabad's labyrinthine corridors of power.

Notwithstanding the mythology that is being structured, there are adequate grounds to believe that the United States sudden interest in democracy in Pakistan was an innovation of 1988. Before that, the quasi-civilian political set up functioning within the steel frame that was founded on the power base had received total approval from Washington. Probably it was seen as most appropriate to the conditions obtaining in a Frontline State and besides there was the little thing about something being suited to the genius of the people. However, the subsequent dismantling of this civilian facade did not bring Pak-American relations plummeting to the ground. There was minor bother in Washington over this "bolt out of the blue" but the relations went on as before, and the American ambassador was quick to pick up the announcement of the date of the elections. "I believe in General Zia that he intends to hold elections" he assured. It was only in the aftermath of the crash of 17 August which resulted in the collapse of the power system and the success of the popular movement appeared imminent, that American diplomats joined the chorus with gusto. Teams of American bleeding hearts for democracy, government leaders, freedom-lovers, and such like made their way to Islamabad to mount a watch to ensure democracy was restored, while diplomats "inspected" poll arrangements and statements were issued which suggested Washington's perpetual commitment for democracy.

There was really not much else that could have been done in the circumstances. There was no strongman left who could listen to "saner" counsel. Democracy was on its way despite the impediments that continued to be placed in its path. A "consensus" had negated the chances of a fourth martial law and popular civilian rule appeared inevitable. Thus with not much left to work, a reiteration of American support for democracy in Pakistan was the easiest way of changing sides, and like a host of others, jumping onto the bandwagon of the popular movement. Creating the myth of American role was necessitated by the fact that in democracy saturated Islamabad it was de rigueur to talk of one's part in restoring democracy.